

UINTAH COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

PAGE

<u>OPINION</u>	Independent Auditors' Report	1-2
<u>MD&A</u>	Management's Discussion and Analysis	3-12
<u>BASIC FINANCIAL STATEMENTS</u>		
Government-wide Financial Statements:		
EXHIBIT 1	Statement of Net Assets	13-14
EXHIBIT 2	Statement of Activities	15
Governmental Fund Financial Statements:		
EXHIBIT 3	Balance Sheet - Governmental Funds	16
EXHIBIT 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	17
EXHIBIT 5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
EXHIBIT 6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
EXHIBIT 7	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	20-22
EXHIBIT 8	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Tri-County Health	23
EXHIBIT 9	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - "B" Road Fund	24
EXHIBIT 10	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Service Fund	25-26

UINTAH COUNTY
BASIC FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>PAGE</u>
<u>BASIC FINANCIAL STATEMENTS (Continued)</u>	
Proprietary Fund Financial Statements:	
EXHIBIT 11 Statement of Net Assets - Proprietary Funds	27-28
EXHIBIT 12 Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	29-30
EXHIBIT 13 Statement of Cash Flows - Proprietary Funds and Internal Service Funds	31-32
Fiduciary Fund Financial Statements:	
EXHIBIT 14 Statement of Fiduciary Net Assets - Fiduciary Funds	33
Component Unit Fund Financial Statements:	
EXHIBIT 15 Statement of Net Assets - Component Units	34
EXHIBIT 16 Statement of Activities - Component Units	35
Notes to the Financial Statements	36-64
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
SCHEDULE 1 Information About Infrastructure Assets Reported Using the Modified Approach	65-66
<u>SUPPLEMENTARY INFORMATION</u>	
Combining Fund Statements and Schedules:	
SCHEDULE 2 Combining Balance Sheet - Nonmajor Governmental Funds	67
SCHEDULE 3 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	68
SCHEDULE 4 Combining Statement of Net Assets - Nonmajor Proprietary Funds	69

**UINTAH COUNTY
BASIC FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>PAGE</u>
<u>SUPPLEMENTARY INFORMATION (Continued)</u>	
Combining Fund Statements and Schedules (Cont'd):	
SCHEDULE 5 Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets - Nonmajor Proprietary Funds	70
SCHEDULE 6 Combining Balance Sheet - Cemeteries	71
SCHEDULE 7 Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets - Cemeteries	72
SCHEDULE 8 Schedule of Current Taxes Levied, Collected and Treasurer's Relief	73
 <u>SUPPLEMENTAL STATE COMPLIANCE</u>	
Auditors' Report on State Compliance for State Grants	74-75
 <u>AUDITORS' REPORTS AND SUPPLEMENTARY SCHEDULES ACCORDING TO SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS</u>	
Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	76-77
Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	78-79
Schedule of Findings and Questioned Costs	80
SCHEDULE 9 Schedule of Expenditures of Federal Awards	81-83
Notes to Schedule of Expenditures of Federal Awards	84
Summary Schedule of Prior Audit Findings	85

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Uintah County
Vernal, Utah 84078

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County, Utah (the County) as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

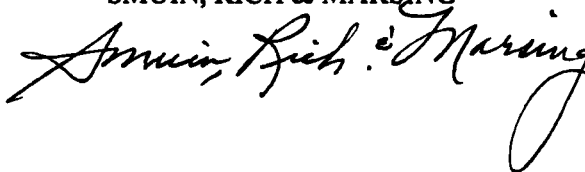
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Tri-County Health Fund, "B" Road Fund, and Municipal Services Fund for the year then ended in conformity with accounting principals generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 12 and information on Infrastructure Assets using the Modified Approach on pages 65 and 66 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2005, on our consideration of Uintah County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uintah County's basic financial statements. The combining and individual fund and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governmental and Non-Profit Organizations, and is not a required part of the basic financial statements. These financial statements and schedules are also the responsibility of the management of the County. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing". The signature is written in dark ink and is positioned below the printed name.

Price, Utah

May 27, 2005

**UINTAH COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

This discussion of Uintah County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2004. This report is in conjunction with the County's financial statements. All amounts, unless otherwise indicated, are expressed in **thousands of dollars**.

The purpose of the County is to provide general services to its residents, which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- The assets of Uintah County exceeded its liabilities as of the close of the most recent year by \$289,003 (*net assets*). Of this amount, \$34,309 (*unrestricted net assets*) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,648. The revenues and expenditures were less than the adopted budgeted amounts.
- At the close of the current year, the Uintah County governmental funds reported combined ending fund balances of \$29,821, an increase of \$1,438 in comparison with the prior year. Approximately 36.5 percent of this total amount, \$10,898 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current year, unreserved fund balance for the general fund was \$5,263, or 68.5 percent of total general fund expenditures.
- Uintah County's total debt increased during the current year by \$101,000 because of a capital lease used to purchase property for the Rockpoint Cemetery. A component unit of the county (Municipal Building Authority) increased its total debt by \$650,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Uintah County's basic financial statements. Uintah County's basic financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Uintah County's finances, in a manner similar to a private-sector business.

Government-wide financial statements (Continued)

The *statement of net assets* presents information on all of Uintah County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Uintah County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Uintah County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Uintah County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Uintah County are Uintah Care Center, Western Park, Tele-Communication, Landfill and Uintah County Municipal Building Authority.

The government-wide financial statements include not only Uintah County itself (known as the primary government), but also four legally separate special service district's; for highways and bridges, Recreation, Mental Health and Health Care for which Uintah County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The business type activities for all practical purposes function as departments of Uintah County, and therefore have been included as an integral part of the primary government.

Refer to the table of contents for the location of the government-wide financial statements.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Uintah County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Uintah County can be divided into three categories: governmental funds, enterprise funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental funds (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Uintah County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Tri-County health fund, B-Road fund, municipal services fund, debt service and capital projects fund all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Uintah County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary funds

Uintah County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Uintah County uses an enterprise fund to account for its Care Center, Western Park, Tele-Communications, Landfill and Municipal Building Authority operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Care Center, Western Park, Tele-Communication, Landfill and Municipal Building Authority.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Uintah County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Uintah County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Uintah County, assets exceeded liabilities by \$289,003 at the close of the most recent fiscal year.

By far the largest portion of Uintah County's net assets (82.3 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Uintah County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Uintah County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of Uintah County's net assets (5.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$34,309) may be used to meet the government's on going obligations to citizens and creditors.

At the end of the year, Uintah County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Government-wide financial analysis (Continued)

Table 1
Net Assets

	Governmental Activities 2004	Business-Type Activities 2004	Total Primary Government 2004
Current and other assets	\$ 31,802	\$ 10,927	\$ 42,729
Capital assets	250,666	15,239	265,905
Total assets	\$ 282,468	\$ 26,166	\$ 308,634
Long-term debt outstanding	\$ 8,479	\$ 8,095	\$ 16,574
Other liabilities	1,650	1,407	3,057
Total liabilities	\$ 10,129	\$ 9,502	\$ 19,631
Net assets:			
Investment in capital assets, net of debt	\$ 232,095	\$ 6,019	\$ 238,114
Restricted	14,083	2,497	16,580
Unrestricted (deficit)	26,161	8,148	34,309
Total net assets	\$ 272,339	\$ 16,664	\$ 289,003

Governmental activities

Governmental activities increased Uintah County's net assets by \$2,556. Key elements of this increase are as follows:

Table 2
Change in Net Assets

	Governmental Activities 2004	Business-Type Activities 2004	Total Primary Government 2004
Revenues			
Program Revenues:			
Charges for services	\$ 2,733	\$ 2,328	\$ 5,061
Operating grants and contributions	6,935		6,935
Capital grants and contributions	1,125		1,125
General Revenues:			
Property taxes	6,555	856	7,411
Sales taxes	3,166	2,265	5,431
Other general revenues	995	1,086	2,081
Total revenues	<u>\$ 21,509</u>	<u>\$ 6,535</u>	<u>\$ 28,044</u>
Program expenses			
General government	\$ 5,420		\$ 5,420
Public safety	4,106		4,106
Public health	3,771		3,771
Highways and public improvements	3,560		3,560
Parks and recreation	1,267		1,267
Conservation & econ. development	466		466
Capital outlay	253		253
MBA		\$ 738	738
Western Park		793	793
Care Center		1,462	1,462
Landfill		440	440
Tele-communications		120	120
Total expenses	<u>\$ 18,843</u>	<u>\$ 3,553</u>	<u>\$ 22,396</u>
Excess (deficiency) before transfers	\$ 2,666	\$ 2,982	\$ 5,648
Transfers	(110)	110	
Change in net assets	<u>\$ 2,556</u>	<u>\$ 3,092</u>	<u>\$ 5,648</u>
Net assets - beginning	\$ 269,784	\$ 13,570	\$ 283,354
Net assets - ending	<u>272,340</u>	<u>16,662</u>	<u>289,002</u>
	<u>\$ 2,556</u>	<u>\$ 3,092</u>	<u>\$ 5,648</u>

- Charges for services increased by \$90.
- Grants and contributions increased by \$482.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities

Business-type activities increased Uintah County's net assets by \$3,092. Key elements of this increase are shown in Table 2 Change in Net Assets.

Financial Analysis of the Government's Funds

As noted earlier, Uintah County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of Uintah County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Uintah County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Uintah County's governmental funds reported combined ending fund balances of \$29,821, an increase of \$1,639 in comparison with the prior year. Approximately 36.5 percent of this amount (\$10,898) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed. The general fund is the chief operating fund of Uintah County. At the end of the current year, unreserved fund balance of the general fund was \$5,263. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 69.7 percent of total general fund expenditures.

Proprietary funds

Uintah County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total unrestricted net assets of the proprietary funds at the end of the year amounted to \$8,164.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of \$870 can be briefly summarized as follows:

- \$ 212 increase in general government
- \$ 517 increase in public safety
- \$ 78 decrease in highways and public improvements
- \$(128) decrease in parks, recreation and public property
- \$ 8 increase in community and economic development
- \$ 183 increase in transfers

The increase of \$870 was funded by new growth of general property taxes, sales tax, grants and use of unrestricted fund balance. During the year, however, actual revenues were greater than budgeted revenues by \$544 and actual expenditures were less than budgeted expenditures by \$642 resulting in a net increase in fund balance of \$1,171.

Capital Asset and Debt Administration

Capital Assets

Uintah County's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$250,666 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, bridges and construction in progress. The total increase in Uintah County's investment in capital assets for the current year was \$627.

Major capital asset events during the current year included the following:

- Equipment purchases of \$930, and dispositions of \$538.
- Construction of an indoor ice rink and multipurpose building located at our Western Park complex at a cost of \$1,064.
- Construction of a new addition to the county's road shop and maintenance buildings including a new salt shed to store salt for the county roads at a cost of \$97.
- Purchased 8.63 acres of land for future expansion of the Rock Point cemetery.
- Purchased four homes and 1 vacant lot adjacent to the south end of the airport runway for future expansion of the north/south runway.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads. That information can be found in the required supplemental information following the notes to the financial statements.

Table 3
Capital Assets at Year-end
(Net of Depreciation)
2004

	Primary Government	
	Governmental Activities	Business-type Activities
Right of ways	\$ 3,050	
Land	1,488	\$ 1,790
Buildings	3,637	12,454
Improvements other than buildings	1,504	416
Equipment	2,200	373
Infrastructure	238,782	
Work in rogress	5	206
	<u>\$ 250,666</u>	<u>\$ 15,239</u>

Additional information on Uintah County's capital assets can be found in the notes to the financial statements.

Long-term debt

At the end of the current year, Uintah County had total bonded debt outstanding of \$17,146. The debt represents revenue bonds secured solely by specified revenue sources (i.e. revenue bonds).

Table 4
Outstanding Debt at Year-end
2004

	Governmental Activities		Business-type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Bonds payable	\$ 8,000	\$ 8,000	\$ 9,146	\$ 9,476	\$ 17,146	\$ 17,476
Leases payable	246	217			246	217
Total debt	<u>\$ 8,246</u>	<u>\$ 8,217</u>	<u>\$ 9,146</u>	<u>\$ 9,476</u>	<u>\$ 17,392</u>	<u>\$ 17,693</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the county. The current debt limitation for Uintah County is \$42,810. At this time Uintah County has no general obligation debt.

Additional information on Uintah County's long-term debt can be found in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Uintah County is 4.6 percent, which is a decrease from a rate of 5.3 percent a year ago. This is slightly lower than the state's average unemployment rate of 4.9 percent and lower than the national average rate of 5.2 percent.
- The value of new residential construction increased by approximately 4.4 percent. Non-residential construction increased by approximately 32 percent indicating acceleration in our economic activity.
- The Assessed value of Uintah County increased by 19 percent in 2004, of which 84 percent was from new growth.

All of these factors were considered in preparing Uintah County's budget for the year.

Requests for Information

This financial report is designed to provide a general overview of Uintah County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Uintah County Clerk-Auditor, 147 East Main, Vernal, Utah, 84078.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT 1 **Statement of Net Assets**

EXHIBIT 2 **Statement of Activities**

**UINTAH COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,436,979	\$ 1,683,420	\$ 8,120,399	\$ 12,582,601
Investments	13,717,346	7,220,138	20,937,484	2,533,210
Taxes receivable	491,938	3,179	495,117	
Accounts receivable - net	298,890	150	299,040	772,962
Other receivables		26,139	26,139	138,535
Internal balances	15,547	(15,547)		
Due from other governmental units	1,368,265	56,034	1,424,299	3,697,864
Inventory		3,248	3,248	90,101
Prepaid expenses				116,125
Reclamation bond				150,000
Restricted cash	302,244		302,244	59,677
Restricted Investments	9,170,953	1,729,010	10,899,963	664,242
Bond issue costs		220,527	220,527	
Capital assets (net of accumulated depreciation):				
Land	1,487,693	1,790,517	3,278,210	1,973,591
Rights of Way	3,050,400		3,050,400	
Water rights				26,790
Buildings	3,636,340	12,453,625	16,089,965	2,037,530
Improvements other than buildings	1,504,377	416,178	1,920,555	32,671
Equipment	2,200,349	372,978	2,573,327	1,071,921
Infrastructure	238,782,198		238,782,198	
Work in progress	4,949	206,024	210,973	34,413
Total assets	\$ 282,468,468	\$ 26,165,620	\$ 308,634,088	\$ 25,982,233
<u>LIABILITIES</u>				
Accounts payable	\$ 575,238	\$ 181,608	\$ 756,846	\$ 1,014,205
Warrants payable	247,665	16,957	264,622	72,743
Accrued liabilities	527,099	81,076	608,175	355,134
Deferred revenue	176,727	2,038	178,765	97,804
Bond interest payable		74,522	74,522	29,588
Notes payable - Due within one year	50,000		50,000	733,068
Revenue bonds payable - Due within one year		1,051,500	1,051,500	268,000
Capital leases payable - Due within one year	72,400		72,400	72,500
Notes payable - Due in more than one year	51,104		51,104	
Revenue bonds payable - Due in more than one year	8,000,000	8,095,000	16,095,000	1,065,000
Capital leases payable - Due in more than one year	72,400		72,400	1,512,500
Compensated absences	355,937		355,937	138,976
Total liabilities	\$ 10,128,570	\$ 9,502,701	\$ 19,631,271	\$ 5,359,518

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 232,095,361	\$ 6,018,300	\$ 238,113,661	\$ 2,858,848
Restricted for:				
Class "B" roads	3,980,687		3,980,687	
Recreation programs				42,975
Client trust				12,871
Construction projects				51,806
Reclamation bond				150,000
Statutory reserve	2,625,336		2,625,336	
Debt Service	7,477,397	2,496,135	9,973,532	612,436
Unrestricted	26,161,117	8,148,484	34,309,601	16,893,779
Total net assets	<u>\$ 272,339,898</u>	<u>\$ 16,662,919</u>	<u>\$ 289,002,817</u>	<u>\$ 20,622,715</u>

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENTS UNITS
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary government:							
General government	\$ 5,419,512	\$ 953,454	\$ 1,217,129	\$ (3,248,929)		\$ (3,248,929)	
Public safety	4,106,200	934,144	317,812	(2,672,767)		(2,672,767)	
Public health	3,770,505	665,172	2,560,726	(544,607)		(544,607)	
Highways and public improvements	3,560,439	4,944	2,712,608	7,717		7,717	
Parks and recreation	1,266,802	122,232	112,355	(1,032,215)		(1,032,215)	
Conservation and economic development	465,546	53,390	14,500	(304,447)		(304,447)	
Capital outlay	253,471			(253,471)		(253,471)	
Total governmental activities	\$ 18,842,475	\$ 2,733,336	\$ 6,935,130	\$ (8,048,719)	\$	\$ (8,048,719)	
Business-type activities:							
MBA	\$ 738,138	\$ 1,230,005			\$ 491,867	\$ 491,867	
Western Park	792,837	203,533			(589,304)	(589,304)	
Care Center	1,462,373	216,143			(1,246,230)	(1,246,230)	
Landfill	439,681	531,542			91,861	91,861	
Telecommunications	119,135	146,810			27,675	27,675	
Total business-type activities	\$ 3,552,164	\$ 2,328,033	\$	\$	\$ (1,224,131)	\$ (1,224,131)	
Total primary government	\$ 22,394,639	\$ 5,061,369	\$ 6,935,130	\$ (8,048,719)	\$ (1,224,131)	\$ (9,272,850)	
Component units:							
Utah Special Service District	\$ 3,441,082	\$ 39,295	\$ 23,761				\$ (3,378,026)
Tri-County Mental Health & Sub. Abuse	3,274,916	3,934,850					659,934
Utah Recreation District	3,360,965	477,419	5,166,529				2,282,983
Utah Health Care Spec. Serv. Dist.	4,432,849	4,018,503					(291,114)
Total component units	\$ 14,509,812	\$ 8,470,067	\$ 5,190,290	\$	\$	\$	\$ (726,223)
General revenues:							
Property taxes				\$ 6,555,410	\$ 855,728	\$ 7,411,138	
Sales taxes				3,165,935	2,265,178	5,431,113	
Mineral lease revenue					904,367	914,034	\$ 8,532,642
Grants and contributions not restricted to specific programs					866,429	1,047,954	217,300
Unrestricted investment earnings					3,390	3,390	213,308
Gain/(Loss) on disposal of assets					113,632	113,632	(2,765)
Miscellaneous				(110,000)	110,000		2,142
Transfers							
Total general revenues and transfers				\$ 10,604,463	\$ 4,316,798	\$ 14,921,261	\$ 8,962,627
Change in net assets				\$ 2,555,744	\$ 3,092,667	\$ 5,648,411	\$ 8,236,404
Net assets - beginning				269,984,597	13,570,252	283,554,849	12,378,987
Prior period adjustment				(200,443)		(200,443)	7,324
Net assets - ending				\$ 272,339,898	\$ 16,662,919	\$ 289,002,817	\$ 20,622,715

"The notes to the financial statements are an integral part of this statement."

GOVERNMENTAL FUND FINANCIAL STATEMENTS

EXHIBIT 3	Balance Sheet - Governmental Funds
EXHIBIT 4	Balance Sheet Reconciliation to Statement of Net Assets
EXHIBIT 5	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
EXHIBIT 6	Statement of Changes Reconciliation to Statement of Activities
EXHIBIT 7	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
EXHIBIT 8	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Tri-County Health
EXHIBIT 9	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - "B" Road Fund
EXHIBIT 10	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Municipal Services Fund

UTAH COUNTY
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND	TRI-COUNTY HEALTH	"B" ROAD	MUNICIPAL SERVICES	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS								
Cash	\$ 2,325,006	\$ 109,156	\$ 578,994	\$ 766,923	\$ 410,447	\$ 431,891	\$ 1,523,912	\$ 6,146,329
Investments	3,237,346	500,000	3,000,000	2,000,000		2,800,000	2,180,000	13,717,346
Receivables (net):								
Accounts		211,298					82,465	293,763
Taxes	376,751						115,187	491,938
Due from other governments	230,456		602,136	13,676		521,997		1,368,265
Restricted cash							302,244	302,244
Restricted investments					7,066,950		2,104,003	9,170,953
Total assets	\$ 6,169,559	\$ 820,454	\$ 4,181,130	\$ 2,780,599	\$ 7,477,397	\$ 3,753,888	\$ 6,307,811	\$ 31,490,838
LIABILITIES AND FUND BALANCES								
Liabilities:								
Cash deficit	\$ 226,532	\$ 20,256	\$ 200,443	\$ 43,425		\$ 8,063	\$ 4,661	\$ 4,661
Accounts payable	117,707	13,897		22,406		2,401	76,519	575,238
Warrants payable	311,986	70,297		89,432			91,254	247,665
Accrued liabilities	250,153						55,384	527,099
Deferred revenue							64,210	314,363
Total liabilities	\$ 906,378	\$ 104,450	\$ 200,443	\$ 155,263	\$	\$ 10,464	\$ 292,028	\$ 1,669,026
Fund balances:								
Reserved for:								
Class "B" Road			\$ 3,980,687					\$ 3,980,687
Tri-County Health	\$ 716,004							716,004
Municipal Services				\$ 2,625,336				2,625,336
Capital Projects						\$ 3,743,424		3,743,424
Debt service					\$ 7,477,397			7,477,397
Perpetual care							\$ 380,747	380,747
Unreserved, reported in:								
General fund	\$ 5,263,181							5,263,181
Special revenue funds							3,631,033	3,631,033
Permanent funds							2,004,003	2,004,003
Total fund balances	\$ 5,263,181	\$ 716,004	\$ 3,980,687	\$ 2,625,336	\$ 7,477,397	\$ 3,743,424	\$ 6,015,783	\$ 29,821,812
Total liabilities and fund balances	\$ 6,169,559	\$ 820,454	\$ 4,181,130	\$ 2,780,599	\$ 7,477,397	\$ 3,753,888	\$ 6,307,811	\$ 31,490,838

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
BALANCE SHEET RECONCILIATION TO
STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

Total fund balances - governmental fund types: \$ 29,821,812

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of: 250,666,306

Land	\$	1,487,693
Rights of Way		3,050,400
Buildings		3,636,340
Improvements other than buildings		1,504,377
Equipment		2,200,349
Infrastructure		238,782,198
Work in progress		<u>4,949</u>
 Total		 <u>\$ 250,666,306</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (8,601,841)

Notes payable - current portion	\$	(50,000)
Notes payable - Due in more than one year		(51,104)
Revenue bonds payable - Due in more than one year		(8,000,000)
Capital leases payable - Due within one year		(72,400)
Capital leases payable - Due in more than one year		(72,400)
Compensated absences		<u>(355,937)</u>
 Total		 <u>\$ (8,601,841)</u>

Internal service funds are used by management to charge the costs of various insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 286,839

Deferred tax revenue reduced and reported as income because revenue has been earned but was received over 60 days after the end of the fiscal year. 137,636

Accumulated effect of crossover amounts charged in prior years to business type activities from Internal Service Fund activity. 29,146

Net assets of government activities \$ 272,339,898

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL FUND	TRI-COUNTY HEALTH	"B" ROAD	MUNICIPAL SERVICES	DEBT SERVICE	CAPITAL PROJECT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:								
Taxes	\$ 7,086,865			\$ 837,670	\$ 71		\$ 1,638,419	\$ 9,563,025
Licenses and permits	5,980			296,219				302,199
Intergovernmental revenues	615,651	\$ 2,101,975	\$ 2,712,608	1,328,133		\$ 850,604	499,943	8,106,914
Charges for services	977,347	552,164		31,269			347,066	1,907,846
Fines and forfeitures	351,222							351,222
Interest income	48,715	11,839	60,624	39,113	552,001	57,049	92,441	861,782
Miscellaneous	167,139		59	17,550		1,873	19,483	206,104
Total revenues	\$ 9,252,919	\$ 2,665,978	\$ 2,773,291	\$ 2,549,954	\$ 552,072	\$ 909,526	\$ 2,597,352	\$ 21,301,092
EXPENDITURES:								
Current:								
General government	\$ 4,621,043			\$ 533,231			\$ 190,360	\$ 5,344,634
Public safety	2,279,721			1,866,850			93,325	4,239,896
Highways and public improvements	180,292		\$ 3,123,797	16,779				3,320,868
Public health	181,324	\$ 2,891,299					835,498	3,908,121
Parks, recreation, and public property	13,932						1,433,218	1,447,150
Conservation and economic development	330,719						130,250	460,969
Capital outlay								923,926
Debt service:								
Principal retirement	72,400						50,000	122,400
Total expenditures	\$ 7,679,431	\$ 2,891,299	\$ 3,123,797	\$ 2,416,860	\$ ---	\$ 923,926	\$ 2,732,651	\$ 19,767,964
Excess revenues over (under) expenditures	\$ 1,573,488	\$ (225,321)	\$ (350,506)	\$ 133,094	\$ 552,072	\$ (14,400)	\$ (135,299)	\$ 1,533,128
OTHER FINANCING SOURCES (USES):								
Transfers in	\$ 34,311					\$ 100,000	\$ 754,599	\$ 888,910
Transfers out	(640,040)						(294,025)	(934,065)
Note payable proceeds							151,104	151,104
Total other financing sources (uses)	\$ (605,729)	\$ ---	\$ ---	\$ ---	\$ ---	\$ 100,000	\$ 611,678	\$ 105,949
Excess of revenues and other sources over (under) expenditures and other uses	\$ 967,759	\$ (225,321)	\$ (350,506)	\$ 133,094	\$ 552,072	\$ 85,600	\$ 476,379	\$ 1,639,077
FUND BALANCES - beginning of year	4,295,422	941,325	4,531,636	2,492,242	6,925,325	3,657,824	5,539,404	28,383,178
Prior period adjustment			(200,443)					(200,443)
FUND BALANCES - end of year	\$ 5,263,181	\$ 716,004	\$ 3,980,687	\$ 2,625,336	\$ 7,477,397	\$ 3,743,424	\$ 6,015,783	\$ 29,821,812

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
STATEMENT OF CHANGES RECONCILIATION TO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds \$ 1,639,077

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

General government	\$ 16,378
Public safety	299,551
Highways	456,158
Health	238,747
Parks and recreation	201,706
Conservation and economic development	<u>597,394</u>

Total assets shown as expenditures	\$ 1,809,934
Less: depreciation	<u>(1,183,031)</u>

Difference between expenditure and depreciation 626,903

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 137,636

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the effect of payment of principal on long-term obligation (e.g., bonds, leases). (28,704)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences	<u>\$ (21,500)</u>
----------------------------------	--------------------

Total (21,500)

The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. 202,332

Change in net assets of governmental activities \$ 2,555,744

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes				
General property taxes - current year	\$ 4,066,000	\$ 4,534,000	\$ 4,973,300	\$ 439,300
General property taxes - prior years	65,000	102,000	117,803	15,803
Penalties and interest on delinquent taxes	50,000		86,827	86,827
General sales and use tax	1,650,000	1,674,000	1,908,935	234,935
Total taxes	\$ 5,831,000	\$ 6,310,000	\$ 7,086,865	\$ 776,865
Licenses and permits:				
Business licenses and permits			\$ 70	\$ 70
Non-business licenses and permits	\$ 3,000	\$ 3,000	5,910	2,910
Total licenses and permits	\$ 3,000	\$ 3,000	\$ 5,980	\$ 2,980
Intergovernmental:				
Federal	\$ 316,700	\$ 787,500	\$ 516,230	\$ (271,270)
State	145,100	51,300	51,043	(257)
Other	86,200	86,200	48,378	(37,822)
Total intergovernmental	\$ 548,000	\$ 925,000	\$ 615,651	\$ (309,349)
Charges for services:				
Departmental fees	\$ 204,800	\$ 214,800	\$ 267,570	\$ 52,770
Inmate fees	593,300	593,300	709,777	116,477
Total charges for services	\$ 798,100	\$ 808,100	\$ 977,347	\$ 169,247
Fines and forfeitures	\$ 370,000	\$ 390,000	\$ 351,222	\$ (38,778)
Miscellaneous:				
Investment earnings	\$ 65,000	\$ 65,000	\$ 48,715	\$ (16,285)
Rents and concessions	64,000	64,000	56,436	(7,564)
Sale of material, supplies and equipment			3,390	3,390
Oil lease	10,000	10,000	11,961	1,961
O & M reimbursement	45,300	45,300	45,312	12
Fuel tax refund/avaiation fuel tax	23,500	23,500	20,684	(2,816)
Other	75,300	65,000	29,356	(35,644)
Total miscellaneous	\$ 283,100	\$ 272,800	\$ 215,854	\$ (56,946)
Total Revenues	\$ 7,833,200	\$ 8,708,900	\$ 9,252,919	\$ 544,019

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**UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Current:				
General government:				
Commission	\$ 288,700	\$ 312,700	\$ 309,061	\$ 3,639
Justice court	273,900	294,900	288,107	6,793
Drug court	222,400	222,400	219,528	2,872
Public defender	187,800	187,800	184,232	3,568
Personel/Administrator	133,350	133,350	120,402	12,948
Clerk/Auditor	385,300	395,300	368,268	27,032
Treasurer	265,000	280,000	266,416	13,584
Recorder	426,450	436,450	428,975	7,475
Attorney	634,700	661,700	656,933	4,767
Assessor	433,500	483,500	476,804	6,696
Non-Departmental	250,000	254,700	221,710	32,990
Data processing	489,000	506,000	484,358	21,642
Purchase agent	5,500	10,500	5,012	5,488
Geographical info system/surveyor	140,600	145,600	139,266	6,334
Property maintenance and surplus	96,000	99,000	94,373	4,627
Building and grounds	357,000	377,000	357,598	19,402
Total general government	\$ 4,589,200	\$ 4,800,900	\$ 4,621,043	\$ 179,857
Public safety:				
Fire Control	\$ 127,000	\$ 127,000	\$ 79,532	\$ 47,468
Emergency services	17,300	454,300	315,605	138,695
Weed control	209,300	209,300	197,664	11,636
Jail complex	1,580,300	1,655,300	1,627,334	27,966
Childrens justice center	58,500	63,600	59,586	4,014
Total public safety	\$ 1,992,400	\$ 2,509,500	\$ 2,279,721	\$ 229,779
Public health:				
Indigent	\$ 8,000	\$ 8,000	\$ 5,196	\$ 2,804
Public health	71,600	71,600	71,600	
Mental health	106,000	106,000	104,528	1,472
Total public health	\$ 185,600	\$ 185,600	\$ 181,324	\$ 4,276
Highways and public improvements:				
County roads	\$ 112,000	\$ 187,000	\$ 85,358	\$ 101,642
Airport maintenance and operation	97,100	99,600	94,934	4,666
Total highways and public improvements	\$ 209,100	\$ 286,600	\$ 180,292	\$ 106,308

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Parks, recreation, and public property:				
Cemetery	\$ 141,700	\$ 14,000	\$ 13,932	\$ 68
Total parks, recreation & public prop.	\$ 141,700	\$ 14,000	\$ 13,932	\$ 68
Conservation and Economic Development:				
Agriculture and extension services	\$ 93,300	\$ 93,300	\$ 78,672	\$ 14,628
Fairs and exhibits	16,800	16,800	16,598	202
Grant funds	100,000	100,000	38,034	61,966
Convention bureau	52,950	55,450	53,872	1,578
Associations	84,000	84,000	56,770	27,230
Economic development	98,050	103,050	86,773	16,277
Total conservation and economic development	\$ 445,100	\$ 452,600	\$ 330,719	\$ 121,881
Debt service:				
Principal retirement	\$ 72,400	\$ 72,400	\$ 72,400	
Total debt service	\$ 72,400	\$ 72,400	\$ 72,400	\$...
Total expenditures	\$ 7,635,500	\$ 8,321,600	\$ 7,679,431	\$ 642,169
Excess of revenue over (under) expenditures	\$ 197,700	\$ 387,300	\$ 1,573,488	\$ 1,186,188
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 100,000	\$ 50,000	\$ 34,311	\$ (15,689)
Transfers out	(457,600)	(640,300)	(640,040)	260
Total other financing sources (uses)	\$ (357,600)	\$ (590,300)	\$ (605,729)	\$ (15,429)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (159,900)	\$ (203,000)	\$ 967,759	\$ 1,170,759
Fund balances - beginning of year	4,295,422	4,295,422	4,295,422	
Fund balances - end of year	\$ 4,135,522	\$ 4,092,422	\$ 5,263,181	\$ 1,170,759

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
TRI-COUNTY HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Intergovernmental				
Federal, State and Local funds	\$ 2,141,950	\$ 2,141,950	\$ 2,101,975	\$ (39,975)
Total Intergovernmental	\$ 2,141,950	\$ 2,141,950	\$ 2,101,975	\$ (39,975)
Charges for services				
Charges for services	\$ 500,000	\$ 500,000	\$ 552,164	\$ 52,164
Total Charges for services	\$ 500,000	\$ 500,000	\$ 552,164	\$ 52,164
Miscellaneous				
Investment earnings	\$ 15,050	\$ 15,050	\$ 11,839	\$ (3,211)
Total miscellaneous	\$ 15,050	\$ 15,050	\$ 11,839	\$ (3,211)
Total Revenues	\$ 2,657,000	\$ 2,657,000	\$ 2,665,978	\$ 8,978
EXPENDITURES				
Current:				
Public health				
Administration	\$ 263,950	\$ 263,950	\$ 590,591	\$ (326,641)
Environmental health	309,800	309,800	305,262	4,538
Nursing	914,550	914,550	704,656	209,894
Dental clinic	254,500	254,500	181,596	72,904
WIC	674,600	674,600	690,040	(15,440)
Health education	139,600	139,600	273,816	(134,216)
Capital projects	100,000	100,000	145,338	(45,338)
Total public health	\$ 2,657,000	\$ 2,657,000	\$ 2,891,299	\$ (234,299)
Total expenditures	\$ 2,657,000	\$ 2,657,000	\$ 2,891,299	\$ (234,299)
Excess of revenue over (under) expenditures			\$ (225,321)	\$ (225,321)
Fund balances - beginning of year	\$ 941,325	\$ 941,325	941,325	
Fund balances - end of year	\$ 941,325	\$ 941,325	\$ 716,004	\$ (225,321)

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
"B" ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Intergovernmental				
State	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,712,608</u>	<u>\$ 62,608</u>
Total Intergovernmental	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,712,608</u>	<u>\$ 62,608</u>
Miscellaneous				
Investment earnings			<u>\$ 60,624</u>	<u>\$ 60,624</u>
Miscellaneous			<u>59</u>	<u>59</u>
Total miscellaneous	<u>\$...</u>	<u>\$...</u>	<u>\$ 60,683</u>	<u>\$ 60,683</u>
Total Revenues	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,773,291</u>	<u>\$ 123,291</u>
EXPENDITURES				
Current:				
Highways and public improvements				
County roads and improvements	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 3,123,797</u>	<u>\$ 26,203</u>
Total highways and public improvements	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 3,123,797</u>	<u>\$ 26,203</u>
Total expenditures	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 3,123,797</u>	<u>\$ 26,203</u>
Excess of revenue over (under) expenditures	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (350,506)</u>	<u>\$ 149,494</u>
Fund balances - beginning of year	<u>4,531,636</u>	<u>4,531,636</u>	<u>4,531,636</u>	
Prior period adjustment			<u>(200,443)</u>	<u>(200,443)</u>
Fund balances - end of year	<u>\$ 4,031,636</u>	<u>\$ 4,031,636</u>	<u>\$ 3,980,687</u>	<u>\$ (50,949)</u>

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
MUNICIPAL SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Taxes				
General sales and use tax	\$ 650,000	\$ 650,000	\$ 837,670	\$ 187,670
Total Taxes	\$ 650,000	\$ 650,000	\$ 837,670	\$ 187,670
Licenses and permits				
Business licenses and permits	\$ 1,500	\$ 1,500	\$ 26,583	\$ 25,083
Non-business licenses and permits	211,000	279,000	269,636	(9,364)
Total Licenses and Permits	\$ 212,500	\$ 280,500	\$ 296,219	\$ 15,719
Intergovernmental				
Federal	\$ 1,200,000	\$ 1,233,500	\$ 1,233,503	\$ 3
State	28,500	44,600	94,630	50,030
Total Intergovernmental	\$ 1,228,500	\$ 1,278,100	\$ 1,328,133	\$ 50,033
Charges for services	\$ 70,500	\$ 75,500	\$ 31,269	\$ (44,231)
Miscellaneous				
Investment earnings	\$ 70,000	\$ 70,000	\$ 39,113	\$ (30,887)
Other		12,000	17,550	5,550
Total miscellaneous	\$ 70,000	\$ 82,000	\$ 56,663	\$ (25,337)
Total Revenues	\$ 2,231,500	\$ 2,366,100	\$ 2,549,954	\$ 183,854
EXPENDITURES				
Current:				
General government:				
Public lands	\$ 109,900	\$ 159,900	\$ 143,197	\$ 16,703
Zoning & building inspection	340,700	345,700	336,517	9,183
Grants	57,100	57,100	53,517	3,583
Total general government	\$ 507,700	\$ 562,700	\$ 533,231	\$ 29,469
Public safety				
Sheriff department	\$ 1,531,600	\$ 1,631,600	\$ 1,615,568	\$ 16,032
Sheriff support services	20,000	25,000	24,256	744
Animal control	103,400	123,400	106,824	16,576
City fire department	45,000	45,000	20,066	24,934
Lapoint-Tridell fire department	13,000	20,000	8,493	11,507
Jensen fire department	16,200	16,200	14,954	1,246
Avalon fire department	13,000	30,000	29,014	986
Wildland fire	52,600	52,600	47,675	4,925
Total public safety	\$ 1,794,800	\$ 1,943,800	\$ 1,866,850	\$ 76,950

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
MUNICIPAL SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Highways and public improvements				
Streets, lighting and signs	\$ 16,900	\$ 18,000	\$ 16,779	\$ 1,221
Total highways and public improvements	\$ 16,900	\$ 18,000	\$ 16,779	\$ 1,221
 Total expenditures	 \$ 2,319,400	 \$ 2,524,500	 \$ 2,416,860	 \$ 107,640
Excess of revenue over (under) expenditures	\$ (87,900)	\$ (158,400)	\$ 133,094	\$ 291,494
Fund balances - beginning of year	2,492,242	2,492,242	2,492,242	
Fund balances - end of year	\$ 2,404,342	\$ 2,333,842	\$ 2,625,336	\$ 291,494

"The notes to the financial statements are an integral part of this statement."

PROPRIETARY FUND FINANCIAL STATEMENTS

- EXHIBIT 11** **Statement of Net Assets - Proprietary Funds**
- EXHIBIT 12** **Statement of Revenues, Expenses and Changes in
Fund Net Assets - Proprietary Funds**
- EXHIBIT 13** **Statement of Cash Flows - Proprietary and Internal
Service Funds**

**UINTAH COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
<u>ASSETS</u>						
Current assets:						
Cash	\$ 890,193	\$ 281,248	\$ 318	\$ 511,661	\$ 1,683,420	\$ 295,311
Investments		350,000	6,270,138	600,000	7,220,138	
Receivables - net						
Accounts		150			150	5,127
Taxes			3,016	163	3,179	
Miscellaneous				26,139	26,139	
Due from other governments	56,034				56,034	
Inventory		3,248			3,248	
Total current assets	\$ 946,227	\$ 634,646	\$ 6,273,472	\$ 1,137,963	\$ 8,992,308	\$ 300,438
Noncurrent assets:						
Restricted investments	\$ 1,386,042	\$ 117,561	\$ 166,098	\$ 59,309	\$ 1,729,010	
Bond issue costs	220,527				220,527	
Total noncurrent assets	\$ 1,606,569	\$ 117,561	\$ 166,098	\$ 59,309	\$ 1,949,537	\$...
Capital Assets:						
Land	\$ 1,053,379	\$ 560,838	\$ 125,000	\$ 51,300	\$ 1,790,517	
Buildings	8,843,920	4,477,587	1,514,921	9,713	14,846,141	
Improvements other than buildings	247,182	204,113	195,168	54,136	700,599	
Furniture, fixtures and equipment	326,503	468,826		1,119,133	1,914,462	
Accumulated depreciation	(766,128)	(1,594,224)	(872,712)	(985,357)	(4,218,421)	
Work in process	206,024				206,024	
Total capital assets	\$ 9,910,880	\$ 4,117,140	\$ 962,377	\$ 248,925	\$ 15,239,322	\$...
Total assets	\$ 12,463,676	\$ 4,869,347	\$ 7,401,947	\$ 1,446,197	\$ 26,181,167	\$ 300,438
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	\$ 88,232	\$ 77,801	\$ 600	\$ 14,975	\$ 181,608	
Warrants payable	2,118	9,150		5,689	16,957	
Accrued interest payable	73,826	696			74,522	
Accrued wages and benefits		42,354		38,722	81,076	
Deferred tax revenue			1,905	133	2,038	
Current portion of long-term debt	1,027,500	24,000			1,051,500	
Total current liabilities	\$ 1,191,676	\$ 154,001	\$ 2,505	\$ 59,519	\$ 1,407,701	\$...

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
Noncurrent liabilities:						
Revenue bonds payable	\$ 7,471,000	\$ 344,000	\$ 280,000		\$ 8,095,000	
Total noncurrent liabilities	\$ 7,471,000	\$ 344,000	\$ 280,000	\$...	\$ 8,095,000	\$...
Total liabilities	\$ 8,662,676	\$ 498,001	\$ 282,505	\$ 59,519	\$ 9,502,701	\$...
Net Assets:						
Invested in capital assets, net of related debt	\$ 1,338,554	\$ 3,748,444	\$ 682,377	\$ 248,925	\$ 6,018,300	
Restricted	2,153,167	117,561	166,098	59,309	2,496,135	\$ 300,438
Unrestricted	309,279	505,341	6,270,967	1,078,444	8,164,031	
Total net assets	\$ 3,801,000	\$ 4,371,346	\$ 7,119,442	\$ 1,386,678	\$ 16,678,466	\$ 300,438
Adjustment to reflect the consolidation of ISF activities related to enterprise funds					(15,547)	
Net assets of business-type activities					\$ 16,662,919	

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
Operating revenues:						
Charges for sales and services	\$ 1,230,005	\$ 203,533	\$ 216,143	\$ 678,352	\$ 2,328,033	\$ 2,197,725
Total operating revenues	\$ 1,230,005	\$ 203,533	\$ 216,143	\$ 678,352	\$ 2,328,033	\$ 2,197,725
Operating expenses:						
Employee salaries and benefits		\$ 423,870	\$ 924	\$ 344,514	\$ 769,308	
Office supplies		2,569		902	3,471	
Other supplies and services		59,095			59,095	
Contractual services	\$ 18,996	27,889		31,599	78,484	\$ 1,986,441
Utilities		84,706		3,990	88,696	
Fuel and oil		5,535		28,506	34,041	
Repairs and maintenance	22,052	48,967		55,764	126,783	
Depreciation	248,402	118,418	47,945	40,345	455,110	
Rental			1,197,504		1,197,504	
Advertising		15,564			15,564	
Travel		989		1,567	2,556	
Telephone		10,738		57,809	68,547	
Bond issue costs	30,232				30,232	
Total operating expenses	\$ 319,682	\$ 798,340	\$ 1,246,373	\$ 564,996	\$ 2,929,391	\$ 1,986,441
Operating income (loss)	\$ 910,323	\$ (594,807)	\$ (1,030,230)	\$ 113,356	\$ (601,358)	\$ 211,284
Nonoperating revenues (expenses):						
Taxes		\$ 623,011	\$ 2,496,279	\$ 1,616	\$ 3,120,906	
Interest revenue	\$ 26,678	26,418	110,519	17,909	181,524	\$ 4,647
Interest expense	(317,351)	(1,915)			(319,266)	
Grant revenue	204,367	700,000			904,367	
Contribution to other governments	(101,105)		(216,000)		(317,105)	
Total nonoperating revenues (expenses)	\$ (187,411)	\$ 1,347,514	\$ 2,390,798	\$ 19,525	\$ 3,570,426	\$ 4,647
Income (loss) before contributions and transfers	\$ 722,912	\$ 752,707	\$ 1,360,568	\$ 132,881	\$ 2,969,068	\$ 215,931

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS					INTERNAL SERVICE FUND
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	
Transfers In (Out):						
Transfers in		\$ 110,000			\$ 110,000	
Total contributions and transfers in (out)	\$..	\$ 110,000	\$...	\$...	\$ 110,000	\$...
Change in net assets	\$ 722,912	\$ 862,707	\$ 1,360,568	\$ 132,881	\$ 3,079,068	\$ 215,931
Total net assets - beginning	3,078,088	3,508,639	5,758,874	1,253,797		84,507
Total net assets - ending	<u>\$ 3,801,000</u>	<u>\$ 4,371,346</u>	<u>\$ 7,119,442</u>	<u>\$ 1,386,678</u>		<u>\$ 300,438</u>
Adjustment to reflect the consolidation of ISF activities related to enterprise funds					13,599	
Changes in net assets of business-type activities					<u>\$ 3,092,667</u>	

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NON- MAJOR	TOTAL BTA's	
Cash Flows From Operating Activities:						
Receipts from customers	\$ 1,173,971	\$ 210,833	\$ 216,143	\$ 668,925	\$ 2,269,872	\$ 2,192,598
Payments to suppliers	(69,041)	(197,144)	(1,246,548)	(197,334)	(1,710,067)	(2,183,323)
Payments to employees		(406,982)	(924)	(329,927)	(737,833)	
Net cash provided (used) by operating activities	\$ 1,104,930	\$ (393,293)	\$ (1,031,329)	\$ 141,664	\$ (178,028)	\$ 9,275
Cash Flows From Noncapital Financing Activities:						
Tax revenue		\$ 623,011	\$ 2,495,167	\$ 1,586	\$ 3,119,764	
Contribution to other governments	\$ (101,105)		(216,000)		(317,105)	
Grant revenue	204,367	700,000			904,367	
Transfers from other funds		110,000			110,000	
Net cash provided (used) by noncapital financing activities	\$ 103,262	\$ 1,433,011	\$ 2,279,167	\$ 1,586	\$ 3,817,026	\$...
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	\$ (581,361)	\$ (1,069,290)			\$ (1,650,651)	
Principal paid on capital debt	(955,500)	(24,000)			(979,500)	
Bond issuance costs	(8,560)				(8,560)	
Proceeds from issuance of long-term debt	650,000				650,000	
Interest paid on capital debt	(318,560)	(1,960)			(320,520)	
Net cash provided (used) by capital and related financing activities	\$ (1,213,981)	\$ (1,095,250)	\$...	\$...	\$ (2,309,231)	\$...
Cash Flows From Investing Activities:						
Interest and dividends received	\$ 26,678	\$ 26,418	\$ 110,519	\$ 17,909	\$ 181,524	\$ 4,647
Net cash provided (used) by investing activities	\$ 26,678	\$ 26,418	\$ 110,519	\$ 17,909	\$ 181,524	\$ 4,647
Net increase (decrease) in cash and cash equivalents	\$ 20,889	\$ (29,114)	\$ 1,358,357	\$ 161,159	\$ 1,511,291	\$ 13,922
Cash and cash equivalents, January 1	2,255,346	777,923	5,078,197	1,009,811	9,121,277	281,389
Cash and cash equivalents, December 31	\$ 2,276,235	\$ 748,809	\$ 6,436,554	\$ 1,170,970	\$ 10,632,568	\$ 295,311

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NON- MAJOR	TOTAL BTA's	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 910,323	\$ (594,807)	\$ (1,030,230)	\$ 113,356	\$ (601,358)	\$ 211,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	\$ 248,402	\$ 118,418	\$ 47,945	\$ 40,345	\$ 455,110	
Bond amortization costs	30,232				30,232	
(Increase) Decrease in accounts receivable	(56,034)	7,300		(9,427)	(58,161)	\$ (5,127)
(Increase) Decrease in inventories		(60)			(60)	
Increase (Decrease) in accounts payable	49,889	62,856	600	(8,194)	105,151	(196,882)
Increase (Decrease) in warrants payable	(77,882)	(3,888)	(472)	(751)	(82,993)	
Increase (Decrease) in tax refund payable			(49,172)	(8,252)	(57,424)	
Increase (Decrease) in accrued liabilities		16,888		14,587	31,475	
Total adjustments	\$ 194,607	\$ 201,514	\$ (1,099)	\$ 28,308	\$ 423,330	\$ (202,009)
Net cash provided (used) by operating activities	\$ 1,104,930	\$ (393,293)	\$ (1,031,329)	\$ 141,664	\$ (178,028)	\$ 9,275

"The notes to the financial statements are an integral part of this statement."

FIDUCIARY FUND FINANCIAL STATEMENTS

EXHIBIT 14 Statement of Net Assets - Fiduciary Funds

UINTAH COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash	\$ 824,049
Receivables (net):	
Taxes	257,796
Investments	149,804
Restricted - cash	<u>30,374</u>
 Total assets	 <u><u>\$ 1,262,023</u></u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 2,706
Due governments and organizations	374,921
Due taxing units	<u>884,396</u>
 Total liabilities	 <u><u>\$ 1,262,023</u></u>

"The notes to the financial statements are an integral part of this statement."

COMPONENT UNIT FUND FINANCIAL STATEMENTS

EXHIBIT 15 **Statement of Net Assets - Component Units**

EXHIBIT 16 **Statement of Activities - Component Units**

**UINTAH COUNTY
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2004**

	UINTAH BASIN TRI-COUNTY MENTAL HEALTH & SUBSTANCE ABUSE AUTHORITY	UINTAH RECREATION DISTRICT	UINTAH SPECIAL SERVICE DISTRICT	UINTAH HEALTH CARE SPECIAL SERVICE DISTRICT	TOTAL
ASSETS					
Cash and cash equivalents	\$ 2,407,578	\$ 570,592	\$ 9,427,994	\$ 176,437	\$ 12,582,601
Investments		2,533,210			2,533,210
Accounts receivable - net	170,010	903		602,049	772,962
Other receivables			138,535		138,535
Inventory				90,101	90,101
Prepaid expenses	68,084			48,041	116,125
Due from other governmental units		1,417,606	2,280,258		3,697,864
Reclamation bond			150,000		150,000
Restricted cash	16,702	42,975			59,677
Restricted Investments			664,242		664,242
Capital assets (net of accumulated depreciation):					
Land	377,681	1,565,235	30,675		1,973,591
Water rights		26,790			26,790
Buildings	1,987,359	50,171			2,037,530
Improvements other than buildings		32,671			32,671
Equipment	124,221	759,193	5,018	183,489	1,071,921
Work in progress		20,938		13,475	34,413
Total assets	\$ 5,151,635	\$ 7,020,284	\$ 12,696,722	\$ 1,113,592	\$ 25,982,233
LIABILITIES					
Accounts payable	\$ 301,188	\$ 103,948	\$ 285,157	\$ 323,912	\$ 1,014,205
Warrants payable		72,743			72,743
Accrued liabilities	208,935	32,147		114,052	355,134
Deferred revenue				97,804	97,804
Bond interest payable			29,588		29,588
Notes payable - Due within one year		733,068			733,068
Revenue bonds payable - Due within one year			268,000		268,000
Capital leases payable - Due within one year	72,500				72,500
Revenue bonds payable - Due in more than one year			1,065,000		1,065,000
Capital leases payable - Due in more than one year	1,512,500				1,512,500
Compensated absences		43,396	1,495	94,085	138,976
Total liabilities	\$ 2,095,123	\$ 985,302	\$ 1,649,240	\$ 629,853	\$ 5,359,518
NET ASSETS					
Invested in capital assets, net of related debt	\$ 904,261	\$ 1,721,930	\$ 35,693	\$ 196,964	\$ 2,858,848
Restricted for:					
Recreation programs		42,975			42,975
Client trusts and Club House funds	12,871				12,871
Construction projects			51,806		51,806
Reclamation bond			150,000		150,000
Debt Service			612,436		612,436
Unrestricted	2,139,380	4,270,077	10,197,547	286,775	16,893,779
Total net assets	\$ 3,056,512	\$ 6,034,982	\$ 11,047,482	\$ 483,739	\$ 20,622,715

"The notes to the financial statements are an integral part of this statement."

UTAH COUNTY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2004

Function/Program	NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS									
	PROGRAM REVENUES					UNTAAH BASIN				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		UNTAAH SPECIAL SERVICE DISTRICT	UNTAAH TRI-COUNTY MENTAL HEALTH & SUBSTANCE ABUSE AUTHORITY	UNTAAH RECREATION DISTRICT	UNTAAH HEALTH CARE SPECIAL SERVICE DISTRICT	TOTAL
Governmental activities:										
Utah Special Service District										
Highways and public improvements										
Compensation and benefits	\$ 75,068					\$ (75,068)				\$ (75,068)
Insurance	12,329					(12,329)				(12,329)
Membership dues	5,199					(5,199)				(5,199)
Miscellaneous	3,153	\$ 295				(2,858)				(2,858)
Occupancy	10,600					(10,600)				(10,600)
Office expenses	8,286					(8,286)				(8,286)
Professional fees	8,787					(8,787)				(8,787)
Depreciation	3,959					(3,959)				(3,959)
Transportation systems	3,278,211	39,000	\$ 23,761			(3,215,450)				(3,215,450)
Interest on long term liabilities	35,490					(35,490)				(35,490)
Total governmental activities	\$ 3,441,082	\$ 39,295	\$ 23,761	\$		\$ (3,378,026)	\$	\$		\$ (3,378,026)
Business-type activities:										
Utah Basin Tri-County Mental Health & Substance Abuse Auth.										
Utah Recreation District	\$ 3,274,916	\$ 3,934,850					\$ 659,934	\$ 2,282,983	\$ 216,000	\$ 659,934
Utah Health Care Special Service District	3,300,965	477,419	\$ 5,166,529						(4,400)	2,282,983
	4,432,849	4,018,503		\$ 123,232					1,291	(291,114)
Total business-type activities	\$ 11,068,730	\$ 8,430,772	\$ 5,166,529	\$ 123,232		\$ (3,378,026)	\$ 659,934	\$ 2,282,983	\$ (291,114)	\$ 2,651,803
Total component units	\$ 14,509,812	\$ 8,470,067	\$ 5,190,290	\$ 123,232		\$ (3,378,026)	\$ 659,934	\$ 2,282,983	\$ (291,114)	\$ (726,223)
General revenues										
Mineral lease revenue						\$ 8,532,642				\$ 8,532,642
Grants and contributions not restricted to specific programs								\$ 1,300	\$ 216,000	\$ 217,300
Gain/(Loss) on disposal of assets							\$ 1,635		(4,400)	(2,765)
Contribution from other governments							21,181	39,369	1,291	212,017
Investment earnings						151,467		2,113		2,142
Miscellaneous						29				
Total general revenues and transfers						\$ 8,694,138	\$ 22,816	\$ 42,782	\$ 212,891	\$ 8,962,627
Change in net assets										
Net assets - beginning						\$ 5,306,112	\$ 682,750	\$ 2,325,765	\$ (78,223)	\$ 8,236,404
Prior period adjustment						5,741,370	2,373,762	3,709,217	554,638	12,378,987
Net assets - ending						\$ 11,047,482	\$ 3,056,512	\$ 6,034,982	\$ 483,739	\$ 20,622,715

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Uintah County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all the County's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

A. Reporting Entity

Uintah County, Utah (the County) operates under a three-member County Commission form of government. The County provides the following services: Countywide services, such as those provided by elected officials (including assessing and collecting property taxes for all taxing districts in the County), health and human services to the unincorporated areas, such as fire and police protection, developmental services, street lighting, traffic engineering, highways, planning and zoning, animal services and justice courts.

The accompanying financial statements include the County, which is a political subdivision with corporate powers created under Utah State law, and all of its component units, collectively referred to as the financial reporting entity. Blended component units, although legally separate entities, are in substance part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Blended Component Units – Tri-County Health Department services the citizens who live in the Tri-County area of Daggett, Uintah and Duchesne Counties. Utah State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioners, within the boundaries of the health district, appoints the health district board of directors.

Municipal Building Authority of Uintah County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed or replaced at any time by its discretion.

Discrete Component Units. These component units are entities, which are legally separate from the County, but are financially accountable to the County whose relationships with the county are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units, column of the government-wide financial statements include that financial data of these entities.

Uintah Special Service District - The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of building, maintaining or improving roads within the District's boundaries. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Basin Tri-County Mental Health and Substance Abuse Local Authority (Northeastern Counseling Center) - The local Mental Health Authority has been established by the County Commissioners for the purpose of directing and providing mental health and substance abuse services to persons within the Mental Health District. The County Commissioners within the District appoint members of the board of directors. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Recreation District - The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of managing and operating parks and recreation facilities and recreation programs in Uintah County. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Uintah Health Care Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is to be administered by an Administrative Control Board, which is to be appointed by the Board of County Commissioners of Uintah County. The purpose of the District is to oversee, administer and manage a county owned, long-term, residential health care and day care facility that is responsive to the needs of the residents, their families, and the community at large, through a consistently high standard of customized, clinical care. The boundaries of the District are the same as Uintah County. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

B. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses can include certain indirect costs (administrative overhead charges) that are automatically allocated to the various functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, component funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds. The internal service fund is reported in a single column on the proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Governmental-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider has been met. The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, rather than as another financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- **General Fund** – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- **Tri-County Health** – The Tri-County Health Fund is used to account for revenues and expenditures used to provide basic public health services.
- **"B" Road Fund** – The "B" Road Fund is used to account for the revenues and expenditures used for repair, maintains and improvement of roads which are classified as B roads within the County boundaries.
- **Municipal Services Fund** – The Municipal Services Fund accounts for monies received by the County for the purpose of providing municipal type services for the unincorporated areas of the County.
- **The Debt Service Fund** – The Debt Service Fund accounts for resources used for the payment of interest and principal on general long-term debt obligations.
- **Capital Project Fund** – The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of capital assets other than those financed by proprietary funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The County's non-major governmental funds include other special revenue funds and a permanent fund. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes. The permanent fund accounts for resources earned and expended for needy children medical expenditures.

Proprietary Fund Financial Statements – Proprietary funds include enterprise funds and internal service funds. Internal Service funds are used to account for the goods and services provided by one fund to other funds of the County, rather than to the general public. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

The county reports the following major proprietary funds:

- **Municipal Building Authority** – The Municipal Building Authority Fund accounts for the resource for the financing, owning, leasing and operating of facilities to meet the needs of the County government.
- **Western Park Fund** – The Western Park Fund accounts for resources and expenditures in the operating and maintain of the Western Park Arena and related facilities associated with activities at the arena.
- **Care Center Fund** – The Care Center Fund accounts for the resources needed for the repayment of debt used in the construction of the Uintah Care Center building.

The County's non-major proprietary funds include the Landfill Fund and the Telecom Fund. The Landfill Fund accounts for resources used in the operation of the County landfill. The Telecom Fund accounts for the resources used in maintaining a 911 service for the County.

Internal Service Fund – The Internal Service Fund account for the resources used to pay health insurance premium for the County. The Internal Service Fund is reported on the proprietary fund statements. In the government-wide financial statement, the internal service fund is included with governmental activities since most of the services provided by the internal service fund are for governmental purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The county only has one type of fiduciary fund

- **Agency Funds** – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds include Treasurer's Tax Collection and Special Deposits. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Sector Standards of Accounting and Financial Reporting – The County generally applies to both the government-wide and proprietary fund statements all Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The County has elected not to follow private-sector guidance subsequent to that date.

Interfund Transactions – Interfund transactions represent transactions between different funds within the County. In general, interfund activity, including internal service fund transactions, have been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statement so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide Statement of Activities. Interfund receivables and payables have been eliminated from the government-wide Statement of Net Assets except for those amounts due between governmental and business-type activities. Such amounts are reported at the net amount as "internal balances" and offset each other to result in a zero balance in the total column.

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the agency fund. All annual appropriations lapse at fiscal year end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice.)

E. Cash and Cash Equivalents and Investments

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statements of cash flow are presented for proprietary funds under the direct method.

F. Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An estimate of sick leave liability and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Employees can carry over up to 160 hours of unused vacation from one year to the next. Hours that exceed the 160 hours are lost if unused. Employees can carry over up to 240 hours of unused comp-time from year to year. Employees will be paid for any unused comp-time in excess of 240 hours. Employees can carry over unlimited hours of unused sick leave from one year to the next. Employees will only be paid for unused sick leave upon retirement.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$334,437 and for proprietary funds total \$43,391.

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

I. Capital Assets

Capital assets include land, right of ways, buildings, improvements other than buildings, machinery and equipment, infrastructure (roads and bridges) and construction-in-progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. **Capital Assets (Continued)**

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statement of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Improvements	15-40 years
Equipment	4-10 years
Infrastructure, (bridges)	40 years

The County has adopted an allowable alternative to reporting depreciation for its road network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

J. **Net Assets/Fund Balances**

The difference between assets and liabilities is "Net Assets" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net assets are divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

Primary Government Governmental activities:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,176,327	\$ 311,366		\$ 1,487,693
Infrastructure (Roads)	235,876,735			235,876,735
Rights of Way	3,050,400			3,050,400
Work in progress	48,958	4,949	\$ 48,958	4,949
Total capital assets not being depreciated	\$ 240,152,420	\$ 316,315	\$ 48,958	\$240,419,777
Capital assets being depreciated:				
Buildings	\$ 7,763,237	\$ 524,692		\$ 8,287,929
Improvements other than buildings	3,436,101	157,199		3,593,300
Machinery and equipment	7,421,977	884,789	\$ 537,653	7,769,113
Infrastructure (Bridges)	7,320,796			7,320,796
Total capital assets being depreciated	\$ 25,942,111	\$ 1,566,680	\$ 537,653	\$ 26,971,138
Less accumulated depreciation for:				
Buildings	\$ 4,463,145	\$ 188,444		\$ 4,651,589
Improvements other than buildings	1,916,701	172,222		2,088,923
Machinery and equipment	5,416,592	665,722	\$ 513,550	5,568,764
Infrastructure (Bridges)	4,258,690	156,643		4,415,333
Total accumulated depreciation	\$ 16,055,128	\$ 1,183,031	\$ 513,550	\$ 16,724,609
Total capital assets, being depreciated, net	\$ 9,886,983	\$ 383,649	\$ 24,103	\$ 10,246,529
Governmental activities capital assets, net	\$ 250,039,403	\$ 699,964	\$ 73,061	\$250,666,306

2. **CAPITAL ASSETS (Continued)**

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,790,517			\$ 1,790,517
Work in Progress		\$ 206,024		206,024
Total capital assets not being depreciated	\$ 1,790,517	\$ 206,024	\$...	\$ 1,996,541
Capital assets being depreciated:				
Buildings	\$13,684,589	\$ 1,161,552		\$ 14,846,141
Improvements other than buildings	462,691	237,910		700,601
Machinery and equipment	1,869,298	45,164		1,914,462
Total capital assets being depreciated	\$16,016,578	\$ 1,444,626	\$...	\$ 17,461,204
Less accumulated depreciation for:				
Buildings	\$ 2,037,504	\$ 355,012		\$ 2,392,516
Improvements other than buildings	251,600	32,823		284,423
Machinery and equipment	1,474,209	67,275		1,541,484
Total accumulated depreciation	\$ 3,763,313	\$ 455,110	\$...	\$ 4,218,423
Total capital assets, being depreciated, net	\$12,253,265	\$ 989,516	\$...	\$ 13,242,781
Business-type activities capital assets, net	\$14,043,782	\$ 1,195,540	\$...	\$ 15,239,322

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 151,980
Public safety	216,249
Public Health	76,772
Highways and public improvements	697,918
Parks and recreation	34,238
Conservation and economic development	5,874

Total depreciation expense - governmental activities **\$ 1,183,031**

Business-type activities:

Care Center	\$ 47,945
Western Park	118,418
Landfill	40,345
Municipal building authority	248,402

Total depreciation expense - Business-Type Activities **\$ 455,110**

Total depreciation expense **\$ 1,638,141**

3. LONG-TERM DEBT

Annual debt service requirements to maturity for bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 50,000		\$ 50,000	\$ 1,051,500	\$ 160,611	\$ 1,212,111
2006	8,051,104		8,051,104	1,094,500	213,295	1,307,795
2007				1,131,500	176,855	1,308,355
2008				1,178,500	137,930	1,316,430
2009				1,227,500	96,610	1,324,110
2010-2014				2,158,500	165,910	2,324,410
2015-2019				590,500	106,050	696,550
2020-2024				407,000	64,450	471,450
2025-2028				307,000	19,400	326,400
	<u>\$ 8,101,104</u>	<u>\$...</u>	<u>\$ 8,101,104</u>	<u>\$ 9,146,500</u>	<u>\$1,141,111</u>	<u>\$10,287,611</u>

Revenue and Limited Obligation Bond – Revenue and Limited Obligation Bonds payable at December 31, 2004, with their outstanding balances are comprised of the following individual issues:

Governmental Activities:

Community Impact Board \$8,000,000 Bond, issued on July 6, 1981, due in one payment on July 1, 2006. Uintah County entered into this agreement for the purpose of financing a portion of the cost of constructing Redwash Road. The loan is interest free. To insure repayment of the loan upon maturity the County through its escrow agent purchased a Resolution Funding Strip Series A 8.265% security that matures July 2006.

\$ 8,000,000

Note payable with Lynn and Colleen Thomas, due in annual installments of \$50,000 and \$51,104 respectively, beginning January 15, 2005 and January 15, 2006. The note is a zero percent interest note. The purpose of the note was to purchase land for the Rockpoint Cemetery.

\$ 101,104

3. LONG-TERM DEBT (Continued)

Business-type Activities:

Lease Revenue Bond Series 1992, due in annual installments from \$10,000 to \$11,000, beginning October 1, 1992 and maturing October 1, 2012. The bond is a zero percent interest bond. The purpose of the bonds is to construct a fire station in Avalon and purchase fire equipment. \$ 83,000

Lease Revenue Bond Series 2000A, due in annual installments from \$197,000 to \$249,000, beginning June 1, 2002 and maturing June 1, 2010. The bond is a 3.0% interest bond. The purpose of the bond is to purchase real property and construct an addition to the Care Center building. \$ 1,391,000

Lease Revenue Bond Series 2000B, due in annual installments from \$590,000 to \$860,000, beginning June 1, 2002 and maturing June 1, 2010. The bond has a varied interest rate ranging from 4.5% to 5.0%. The purpose of the bond is to purchase real property, equipment and help in the construction of an addition to the Care Center building. \$ 4,585,000

Lease Revenue Bond Series 2000D, due in annual installments of \$32,500, beginning September 1, 2002 and maturing September 1, 2021. The bond is a zero percent interest bond. The purpose of the bond is to purchase real property and pay for the construction of a building to house the Northeastern Counseling Center. \$ 552,500

Lease Revenue Bond Series 2000C, due in annual installments of \$11,000 to \$14,000, beginning June 1, 2002 and maturing January 1, 2010. The bond is a zero percent interest bond. The purpose of the bond is to retire and refund the Municipal Building Authority (MBA) outstanding obligation with respect to its Lease Revenue Bonds, Series 1991 which were issued to finance the costs of renovating and adding a nursing home facility known as the Uintah Care Center. \$ 81,000

Lease Revenue Bond Series 2002, due in annual installments ranging from \$44,000 to 79,000, beginning March 1, 2004 and maturing March 1, 2028. The bond is a 2.5% interest bond. The purpose of the bond is to purchase real property where a new museum can be constructed. \$ 1,456,000

Limited Obligation Bond Series 1994, due in annual installments ranging from \$23,000 to \$25,000, beginning August 15, 1995 and maturing August 15, 2019. The bond is a .5% interest bond. The purpose of the bond was to finance the costs of improvements to the Uintah County Western Park complex. \$ 368,000

3. LONG-TERM DEBT (Continued)

Limited Obligation Bond Series 1991, due in one payment on the maturity date of September 1, 2011. There is no interest on the bond. The purpose of the Bond was to construct a day care addition to the Uintah County Care Center.

\$ 280,000

Lease Revenue Bond Series 2004B, due in annual installments of \$35,000 beginning April 1, 2005 and maturing April 1, 2014. The bond is a zero percent interest bond. The purpose of the bonds is to finance the acquisition and construction of shop buildings and related improvements and paying necessary expense incidental thereto.

\$ 350,000

Total

\$17,247,604

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Revenue bonds CIB	\$ 8,000,000			\$ 8,000,000	
Note payable		\$ 151,104	\$ 50,000	101,104	\$ 50,000
Capital Leases	217,200		72,400	144,800	72,400
Compensated Absences	<u>334,437</u>	<u>21,500</u>		<u>355,937</u>	
Governmental activity long-term liabilities	<u>\$ 8,551,637</u>	<u>\$ 172,604</u>	<u>\$ 122,400</u>	<u>\$ 8,601,841</u>	<u>\$ 122,400</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 9,476,000	\$ 650,000	\$ 979,500	\$ 9,146,500	\$1,051,500
Compensated Absences	<u>43,100</u>	<u>291</u>		<u>43,391</u>	
Business-type activity long-term liabilities	<u>\$ 9,519,100</u>	<u>\$...</u>	<u>\$ 979,500</u>	<u>\$ 9,189,891</u>	<u>\$1,051,500</u>

3. LONG-TERM DEBT (Continued)

Component Units

Long-term liability activity for the year ended December 31, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Capital Leases	\$ 1,617,500		\$ (32,500)	\$ 1,585,000	\$ 72,500
Notes Payable		\$1,500,000	(766,932)	733,068	733,068
Business-type activity long-term liabilities	<u>\$ 1,617,500</u>	<u>\$1,500,000</u>	<u>\$ (799,432)</u>	<u>\$ 2,318,068</u>	<u>\$ 805,568</u>
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 1,682,000		\$ 349,000	\$ 1,333,000	\$ 268,000
Governmental activity long-term liabilities	<u>\$ 1,682,000</u>	<u>\$...</u>	<u>\$ 349,000</u>	<u>\$ 1,333,000</u>	<u>\$ 268,000</u>

Proprietary Debt

During 1992, the County issued a Facility Limited Obligation Bond Series 1991, for the purpose of making a day care addition to the Uintah County Care Center. As part of the bond agreement the County deposited \$61,096 into an escrow account, which was invested in governmental securities, which matures August 15, 2011. The proceeds from this escrow account will be used to pay off the \$280,000 Facility Limited Obligation Bond, which matures September 1, 2011. The amount held in escrow at December 31, 2004, was \$166,098 with a fair market value of \$215,032.

On March 16, 1994, Uintah County closed on a limited obligation bond in the amount of \$600,000 for the purpose of financing the costs of improvements to the Uintah County Western Park and to pay certain issuance expenses. The Bond bears interest at the rate of one-half of one percent (0.5%) per annum. Interest on the Bond shall accrue on the unpaid principal balance from August 15, 1994 and shall be payable annually on August 15, of each year commencing August 15, 1995 and ending on August 15, 2019. In order to defease the Bond and to provide funds for the payment of principal and interest on the Bond, the County has entered into an escrow agreement with Westone bank where funds have been deposited and invested in Government Obligations which together with interest earnings to accrue thereon, shall be sufficient to pay the principal of and interest on the Bonds as they become due and payable. The amount held in escrow at December 31, 2003, was \$117,561. The balance outstanding on the limited obligation bond is \$368,000 as of December 31, 2004.

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On August 31, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2000A in the principal amount of \$2,000,000 together with interest at the rate of 3% per annum. The bonds begin accruing interest on the unpaid balance of the principal on June 1, 2001 and the interest and principal become payable beginning on June 1, 2002. The purpose of the bonds is to purchase land and construct an addition to the Uintah Care Center. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 1, 2005	\$ 215,000	\$ 41,730	\$ 256,730
June 1, 2006	222,000	35,280	257,280
June 1, 2007	228,000	28,620	256,620
June 1, 2008	235,000	21,780	256,780
June 1, 2009	242,000	14,730	256,730
June 1, 2010	249,000	7,470	256,470
	<u>\$ 1,391,000</u>	<u>\$ 149,610</u>	<u>\$ 1,540,610</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On August 15, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2000B in the principal amount of \$6,440,000 together with a variable rate of interest. The bonds begin accruing interest on the unpaid balance on August 15, 2000 with interest payments due December 1, 2000, June 1, 2000 and December 1, 2001, while interest and principal become payable beginning on June 1, 2002. The purpose of the bonds is to purchase land, help construct an addition to the Uintah Care Center and purchase equipment for use in the Care Center. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 1, 2005	\$ 675,000	\$ 112,701	\$ 787,701
December 1, 2005		96,670	96,670
June 1, 2006	710,000	96,670	806,670
December 1, 2006		79,630	79,630
June 1, 2007	740,000	79,630	819,630
December 1, 2007		61,500	61,500
June 1, 2008	780,000	61,500	841,500
December 1, 2008		42,000	42,000
June 1, 2009	820,000	42,000	862,000
December 1, 2009		21,500	21,500
June 1, 2010	860,000	21,500	881,500
	<u>\$ 4,585,000</u>	<u>\$ 715,301</u>	<u>\$ 5,300,301</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On August 31, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Refunding Bond Series 2000C in the principal amount of \$137,000 together with a 0% rate of interest. Lease Revenue Refunding Bonds, Series 2000C were issued for the purpose of retiring and refunding the Authority's outstanding obligation with respect to its Lease Revenue Bonds, Series 1991, which were issued to finance the costs of renovating and adding a nursing home facility. The interest rate on both the refunding issue and the refunded issue was zero percent, which resulted in no economic gain or loss. Also, there is no difference in the required cash flows between the refunding and refunded bonds. The refunding has the effect of changes principal payment due dates from January 1, to June 1. Repayment of principal begins June 1, 2001. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
June 1, 2005	\$ 14,000
June 1, 2006	14,000
June 1, 2007	14,000
June 1, 2008	14,000
June 1, 2009	14,000
June 1, 2010	11,000
	<u>\$ 81,000</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On October 13, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bond Series 2000D in the principal amount of \$650,000 together with a 0% rate of interest. Lease Revenue Bonds, Series 2000D were issued for the purpose of acquisition of land and the construction of a new approximately 7,000 square foot building to house the Vernal offices of the Northeastern Counseling Center and related improvements. Repayment of principal begins September 1, 2002. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
September 1, 2005	\$ 32,500
September 1, 2006	32,500
September 1, 2007	32,500
September 1, 2008	32,500
September 1, 2009	32,500
September 1, 2010	32,500
September 1, 2011	32,500
September 1, 2012	32,500
September 1, 2013	32,500
September 1, 2014	32,500
September 1, 2015	32,500
September 1, 2016	32,500
September 1, 2017	32,500
September 1, 2018	32,500
September 1, 2019	32,500
September 1, 2020	32,500
September 1, 2021	32,500
	<u>\$ 552,500</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On January 1, 2000, the Uintah County Municipal Building Authority changed from using governmental fund types to recording its transactions in a proprietary fund type. Because of this change, the Lease/Purchase Revenue Bonds 1992 have been removed from the General Long Term Debt Account Group and have been reported in the Uintah County Municipal Building Authority Fund, a proprietary fund type. Below the detail of Lease/Purchase Revenue Bonds Series 1992 have been reported:

Lease/Purchase Utah Series 1992 Bonds - On July 14, 1992, the Commission approved issuance, by the Uintah County Municipal Building Authority, of \$215,000 in bonds at zero percent interest to be repaid over twenty years. The purpose of the bonds is to construct a fire station in Avalon and purchase needed fire equipment. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
October 1, 2005	\$ 11,000
October 1, 2006	11,000
October 1, 2007	11,000
October 1, 2008	10,000
October 1, 2009	10,000
October 1, 2010	10,000
October 1, 2011	10,000
October 1, 2012	10,000
	<u>\$ 83,000</u>

3. LONG-TERM DEBT (Continued)

Proprietary Debt (Continued)

On July 16, 2002, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds, Series 2002, in the amount of \$1,200,000 together with interest at a rate of 2.5% per annum. The bonds begin accruing interest on the unpaid principal balance from March 1, 2003 at the rate specified above, payable annually on March 1, of each year, with interest and principal installments beginning March 1, 2004.

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1, 2005	\$ 45,000	\$ 36,400	\$ 81,400
March 1, 2006	46,000	35,275	81,275
March 1, 2007	47,000	34,125	81,125
March 1, 2008	48,000	32,950	80,950
March 1, 2009	50,000	31,750	81,750
March 1, 2010	51,000	30,500	81,500
March 1, 2011	52,000	29,225	81,225
March 1, 2012	54,000	27,925	81,925
March 1, 2013	55,000	26,575	81,575
March 1, 2014	56,000	25,200	81,200
March 1, 2015	58,000	23,800	81,800
March 1, 2016	59,000	22,350	81,350
March 1, 2017	61,000	20,875	81,875
March 1, 2018	62,000	19,350	81,350
March 1, 2019	63,000	17,800	80,800
March 1, 2020	65,000	16,225	81,225
March 1, 2021	67,000	14,600	81,600
March 1, 2022	68,000	12,925	80,925
March 1, 2023	70,000	11,225	81,225
March 1, 2024	72,000	9,475	81,475
March 1, 2025	74,000	7,675	81,675
March 1, 2026	76,000	5,825	81,825
March 1, 2027	78,000	3,925	81,925
March 1, 2028	79,000	1,975	80,975
	<u>\$ 1,456,000</u>	<u>\$ 497,950</u>	<u>\$ 1,953,950</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On October 13, 2004, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2004B in the principal amount of \$350,000. The bonds were issued at a zero percent interest rate. The first payment beginning April 1, 2005 and continues each April 1 until the bonds are paid in full at April 1, 2014. The purpose of the bonds is to finance the acquisition and construction of shop buildings and related improvements and paying necessary expense incidental thereto. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2005	\$ 35,000		\$ 35,000
April 1, 2006	35,000		35,000
April 1, 2007	35,000		35,000
April 1, 2008	35,000		35,000
April 1, 2009	35,000		35,000
April 1, 2010	35,000		35,000
April 1, 2011	35,000		35,000
April 1, 2012	35,000		35,000
April 1, 2013	35,000		35,000
April 1, 2014	35,000		35,000
	<u>\$ 350,000</u>	<u>\$...</u>	<u>\$ 350,000</u>

3. **CAPITAL LEASES**

Uintah County has entered into lease agreements as a lessee for financing the acquisition of heavy equipment used in the Landfill Fund and General Fund. A trash compactor was acquired for use with the Landfill. Also a caterpillar Paver, Elevator, asphalt truck, a 966 loader and oil storage truck were acquired through lease to be used in the County Road Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

4. **CAPITAL LEASES (Continued)**

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Heavy equipment	\$ 592,000	\$ 238,475
Less: Accumulated Depreciation	<u>(489,513)</u>	<u>(83,466)</u>
Net assets	<u>\$ 102,487</u>	<u>\$ 155,009</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2004 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>
2005	\$ 72,400
2006	<u>72,400</u>
Total minimum lease payments	\$ 144,800
Less: amount representing interest	<u>...</u>
Present value of minimum lease payments	<u><u>\$ 144,800</u></u>

5. CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments. Income from the investment of the pooled cash is allocated based on each fund's portion of the pool. In addition, cash is separately held by several funds.

At December 31, 2004, the book balance of cash on deposit was \$9,856,028 and the bank balance was \$9,560,016. Of these deposits, \$332,672 was covered by Federal depository insurance and is classified as Category 1 under GASB Statement 3. The remaining bank balance of \$9,227,344 is classified as Category 3. Deposits are not collateralized nor are they required to be by State statute.

At December 31, 2004, the book balance of cash on deposit for discrete component units was \$2,272,803 and the bank balance was \$2,401,388. Of these deposits, \$381,002 was covered by Federal Depository Insurance and classified as Category 1 under GASB Statement 3. The remaining bank balance of \$2,020,386 is classified as Category 3. Deposits are not collateralized nor are they required to be by State statute.

The County follows the requirements of the Utah Money Management Act (the Act) in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Investments are categorized into the following three categories of credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

5. **CASH AND INVESTMENTS (Continued)**

Cash and investments are carried at amortized cost and consist of the following at December 31, 2004:

	Category		Carrying	Fair
	1	3	Amount	Value
U.S. Government Securities Investments	\$ 10,744,165		\$10,744,165	\$10,744,165
Investments not subject to categorization:				
State Treasurers Investment Pool			23,810,902	23,810,902
Total	<u>\$ 10,744,165</u>	<u>\$...</u>	<u>\$34,555,067</u>	<u>\$34,555,067</u>
Cash Balances			9,856,028	
			\$44,411,095	
Less: Component Unit cash and investments included in pooled cash held by County Treasurer			<u>(3,146,777)</u>	
			<u>\$41,264,318</u>	

The Utah Public Treasurers' Investment Fund, managed by the Utah State Treasurer, is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested in securities permitted by the Money Management Act and contain no withdrawal restrictions other than timely notice of intent to withdraw an amount greater than \$2 million. Investment activity of the State Treasurer in the management of the Pool is reviewed monthly by the Council and is audited by the Utah State Auditor. Monies invested in this fund are not insured and are subject to the same market risk as any similar investment in money market funds. The fair value of the position in the Pool is less than the face value of the Pool shares.

At year-end, discretely presented component units investment balances were as follows:

	1	2	3	Amount	Value
Investment not subject to categorization:					
U.S. Governmental Sec	\$ 919,907			\$ 919,907	\$ 919,907
State Treasurers'					
Investment Pool				12,578,512	12,578,512
	<u>\$919,907</u>	<u>\$...</u>	<u>\$...</u>	<u>\$13,498,419</u>	<u>\$13,498,419</u>

6. PENSION PLANS

Uintah County contributes to the Local Governmental Contributory Retirement System and Public Safety Retirement System for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.0% of their annual covered salary (some of which maybe paid by the County) and Uintah County is required to contribute 7.08% of their annual covered salary. In the Public Safety Retirement System for employers with Social Security coverage contributory division members are not required to make contributions of their annual salaries but Uintah County is required to contribute 19.08% of employees' annual salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Uintah County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2004, 2003 and 2002 were \$622,777, \$514,567 and \$455,630 respectively and for the Public Safety Retirement System the contributions for December 31, 2004, 2003 and 2002 were \$215,666, \$182,117 and \$167,226 respectively. The contributions were equal to the required contributions for each year.

7. CONTINGENT LIABILITIES

Uintah County has several pending lawsuits and notice of claims filed by different individuals. These cases are currently pending and the outcome is undeterminable at this time. The County has taken the position to vigorously contest these suits.

8. PROPERTY TAX CALENDAR

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. If the proposed rates exceed a certified tax rate, special public hearings must be held before the final rate is adopted. The final tax rate is assessed by the county assessor on property in the County on the prior January 1. The taxes are payable to the county treasurer by the end of November and are remitted to the County by the county treasurer as collected.

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains Enterprise Funds, which provide sanitation services, telecommunication, special activities and nursing home services. Segment information for the year ended December 31, 2004 is as follows:

	<u>Landfill</u>	<u>Telecom- munications</u>	<u>Western Park</u>	<u>Care Center</u>	<u>Municipal Building Authority</u>
Operating Revenues:					
Charges for services	\$ 531,542	\$ 146,810	\$ 203,533	\$ 216,143	\$ 1,230,005
Depreciation expense	40,345		118,418	47,945	248,402
Operating income (loss)	85,681	27,675	(594,807)	(1,030,230)	910,323
Tax revenues	1,616		623,011	2,496,279	
Operating transfers in			110,000		
Operating transfers out					
Net income/(loss)	102,174	30,707	862,707	1,360,568	722,912
Property, plant and equipment:					
Additions			1,069,290		581,361
Deletions					
Net working capital	934,949	202,804	598,206	6,437,065	1,361,120
Total assets	1,232,133	214,064	4,869,347	7,401,947	12,463,676
Total equity	1,183,874	202,804	4,371,346	7,119,442	3,801,000

10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1992, the County joined together with other counties in the State to form the Utah Association of Counties (UAC), a public entity risk pool currently operating as a common risk management and insurance program for member Counties. The County pays an annual premium to UAC for its general insurance coverage. The Agreement for Formation of the UAC provides that UAC will be self-sustaining through member premiums and will reinsure through commercial companies.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

11. **MUNICIPAL SOLID WASTE LANDFILLS**

Uintah County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval. The County has received the landfill permit to stay in operation effective November 1, 2000 and expires October 31, 2005.

Uintah County has obtained information necessary to determine the nature and source of landfill closure and postclosure care requirements. An amount of liability for closure and postclosure care costs, estimated total current cost of closure and postclosure care remaining to be recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. The County has set aside an amount of \$59,309 to be put into an account held by the Utah Public Treasurer's Investment Pool. Each year the County will fund an additional \$6,500 to this fund. The accumulated amount will be used for the above costs.

12. **RECONCILIATION OF INTERFUND TRANSFERS**

The following table provides a reconciliation of all interfund transfers:

Transfers in				
General Fund	Capital Projects Funds	Western Park Funds	Nonmajor Governmental Funds	Total
Transfer Out:				
General Fund	\$ 100,000		\$ 540,040	\$ 640,040
Nonmajor Funds	\$ 34,311	\$ 110,000	149,714	294,025
\$ 34,311	\$ 100,000	\$ 110,000	\$ 689,754	\$ 934,065

13. BUDGETARY COMPLIANCE

For the year ended December 31, 2004, the Tri-County Health Fund showed expenditures in excess of the funds budgeted expenditures in the amount of \$234,299. The Tri-County Health Fund's budget year begins July 1, 2004 and ends June 30, 2005. In May of 2005, the Tri-County Health Department amended their budget, which increased the budget to cover all expenditures made during their fiscal year. Therefore, although the Health Department exceeded its budget as of December 31, 2005, by the end of their fiscal year amendments to their budget had been made to bring the fund into compliance with budgetary requirements.

14. USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

15. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2004, Uintah County was informed by the Utah State Department of Transportation, which allocated "B" Road allotment funds, that they had made errors in prior years allocations of "B" Road money and distributed too much money to the County. The Utah State Department of Transportation reduced the County's current year allocation by \$200,443. A prior period adjustment has been made to reduce the County's fund balance for the current year and record the amount of "B" Road money, which should have been reported in the current year.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE 1 Information About Infrastructure Assets Reported Using
the Modified Approach**

SCHEDULE 1

**UINTAH COUNTY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
FOR THE YEAR ENDED DECEMBER 31, 2004**

As allowed by GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

Roads

Uintah County applies the modified approach only to the 517 paved, 721 gravel and 85 dirt lane-miles of roads considered to be owned by the County and maintained by the County's Public Works Department (i.e. for which the County has legal jurisdiction). The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Good or Better Condition in 2003:

	Percentage		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Paved	57	57	45
Gravel	60	60	60
Dirt	55	55	55
Overall System	57	57	53

SCHEDULE 1
(Continued)

Condition Rating of the County's Road System (Continued)

Percentage of Lane-Miles in Substandard Condition is:

	Percentage		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Paved	15	15	9
Gravel	10	10	10
Dirt	10	10	10
Overall System	12	12	10

Comparison of Needed-to Actual Maintenance/Preservation in 2002, 2003,
and 2004 Roads:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Estimated	3,500,000	3,500,000	3,500,000
Actual	3,301,000	3,004,360	3,206,155

The condition of road pavement is measured using the American (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify road in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 55 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last three years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2002 and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years, it will be able to report the required information.

SUPPLEMENTARY INFORMATION

SCHEDULE 2	Combining Balance Sheet - Nonmajor Governmental Funds
SCHEDULE 3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
SCHEDULE 4	Combining Statement of Net Assets - Nonmajor Proprietary Funds
SCHEDULE 5	Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets - Nonmajor Proprietary Funds
SCHEDULE 6	Combining Balance Sheet - Cemeteries
SCHEDULE 7	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Cemeteries
SCHEDULE 8	Schedule of Current Taxes Levied, Collected and Treasurer's Relief

UINTAH COUNTY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	SPECIAL REVENUE FUNDS											PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	HISTORIC PRESERVA-TION	FLOOD CONTROL	COUNCIL ON AGING	TRANSIENT ROOM TAX	FOOD SERVICE TAX	TORT LIABILITY	LIBRARY FUNDS	LIBRARY BOARD	911 EMERGENCY SERVICE	CEMETERIES	CHRT CHILDREN'S FUND	UARC PUBLIC EDUC.		TAX STABILITY
ASSETS														
Cash	\$ 30,332	\$ 264,437	\$ 77,381	\$ 120,487	\$ 126,467	\$ 194,386	\$ 347,012	\$ 121,878	\$ 192,083	\$ 302,244	\$ 27,231	\$ 22,218	\$	\$ 1,523,912
Restricted cash														302,244
Investments		500,000		150,000	230,000	200,000	800,000		250,000		50,000			2,180,000
Accounts receivable			32,927				6,543			42,995				82,465
Taxes receivable		15,635				19,118	80,434							115,187
Investments restricted										100,000			\$ 2,004,003	2,104,003
Total assets	\$ 30,332	\$ 780,072	\$ 110,308	\$ 270,487	\$ 356,467	\$ 413,504	\$ 1,233,989	\$ 121,878	\$ 442,083	\$ 445,239	\$ 77,231	\$ 22,218	\$ 2,004,003	\$ 6,307,811
LIABILITIES AND FUND BALANCES														
Liabilities:														
Cash deficit										\$ 4,661				\$ 4,661
Accounts payable	\$ 49,682	\$ 20,903					\$ 1,313	\$ 19	\$ 1,715	2,887				76,519
Warrants payable		10,547		\$ 10,000	\$ 3,500		9,921	151	6,576	50,559				91,254
Accrued liabilities		22,109					26,890			6,385				55,384
Deferred tax revenue		3,532				\$ 10,782	49,896							64,210
Total liabilities	\$	\$ 53,214	\$ 53,559	\$ 10,000	\$ 3,500	\$ 10,782	\$ 88,020	\$ 170	\$ 8,291	\$ 64,492	\$	\$	\$	\$ 292,028
Fund balances:														
Reserved										\$ 380,747				\$ 380,747
Unreserved, reported in														
Special revenue funds	\$ 30,332	\$ 726,858	\$ 56,749	\$ 260,487	\$ 352,967	\$ 402,722	\$ 1,145,969	\$ 121,708	\$ 433,792		\$ 77,231	\$ 22,218	\$ 2,004,003	3,631,033
Permanent funds														2,004,003
Total fund balances	\$ 30,332	\$ 726,858	\$ 56,749	\$ 260,487	\$ 352,967	\$ 402,722	\$ 1,145,969	\$ 121,708	\$ 433,792	\$ 380,747	\$ 77,231	\$ 22,218	\$ 2,004,003	\$ 6,015,783
Total liabilities and fund balance	\$ 30,332	\$ 780,072	\$ 110,308	\$ 270,487	\$ 356,467	\$ 413,504	\$ 1,233,989	\$ 121,878	\$ 442,083	\$ 445,239	\$ 77,231	\$ 22,218	\$ 2,004,003	\$ 6,307,811

UINTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	SPECIAL REVENUE FUNDS												PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HISTORIC PRESERVA- TION	FLOOD CONTROL	COUNCIL ON AGING	TRANSIENT ROOM TAX	FOOD SERVICE TAX	TORT LIABILITY	LIBRARY FUNDS	LIBRARY BOARD	911 EMERGENCY SERVICE	CEMETERIES	GIRT CHILDREN'S FUND	URAC PUBLIC EDUC.	TAX STABILITY		
REVENUES:															
Taxes															
Intergovernmental revenues	\$ 7,461	\$ 64,596	\$ 442,252	\$ 185,182	\$ 213,464	\$ 212,414	\$ 982,763							\$ 1,638,419	
Charges for Services		19,644	93,875				30,586							499,943	
Interest income	424	11,343	1,562	3,563	4,830	3,867	12,049	\$ 61,418	\$ 131,283	\$ 60,490	\$ 1,239	\$ 275	\$ 35,683	347,066	
Miscellaneous						6,365		1,920	7,236	8,450	4,482	5,050		92,441	
								3,586						19,483	
Total revenues	\$ 7,885	\$ 95,583	\$ 537,689	\$ 188,745	\$ 218,294	\$ 222,646	\$ 1,005,398	\$ 66,924	\$ 138,519	\$ 68,940	\$ 5,721	\$ 5,325	\$ 35,683	\$ 2,597,352	
EXPENDITURES:															
General government						\$ 190,360								\$ 190,360	
Public safety									\$ 93,325					93,325	
Public health			\$ 835,498											835,498	
Parks, recreation and public property	\$ 2,335	\$ 49,682			\$ 29,475		\$ 879,357	\$ 49,632		\$ 414,630	\$ 8,107			1,433,218	
Conservation and economic development				\$ 130,250										130,250	
Principal debt payment										50,000				50,000	
Total expenditures	\$ 2,335	\$ 49,682	\$ 835,498	\$ 130,250	\$ 29,475	\$ 190,360	\$ 879,357	\$ 49,632	\$ 93,325	\$ 464,630	\$ 8,107	\$ 8,107	\$ 35,683	\$ 2,732,651	
Excess of revenues over (under) expenditures	\$ 5,550	\$ 45,901	\$ (297,809)	\$ 58,495	\$ 188,819	\$ 32,286	\$ 126,041	\$ 17,292	\$ 45,194	\$ (395,690)	\$ 5,721	\$ (2,782)	\$ 35,683	\$ (135,299)	
Other financing sources (uses):															
Transfers in			\$ 367,600			\$ 40,000				\$ 321,999	\$ 25,000			\$ 754,599	
Transfers out					\$ (110,000)					(149,714)			\$ (34,311)	(294,025)	
Note payable proceeds										151,104				151,104	
Total other financing sources (uses)	\$ 5,550	\$ 45,901	\$ 367,600	\$ 58,495	\$ (110,000)	\$ 40,000	\$ 126,041	\$ 17,292	\$ 45,194	\$ 322,389	\$ 25,000	\$ 25,000	\$ (34,311)	\$ 611,678	
Excess of revenues and other sources over (under) expenditures and other uses	\$ 5,550	\$ 45,901	\$ 69,791	\$ 58,495	\$ 78,819	\$ 72,286	\$ 126,041	\$ 17,292	\$ 45,194	\$ (72,301)	\$ 5,721	\$ 22,218	\$ 1,372	\$ 476,379	
Fund Balances - Beginning of year	24,782	680,957	(13,042)	201,992	274,148	330,436	1,019,928	104,416	388,598	453,048	71,510		2,002,631	5,539,404	
Fund Balances - End of year	\$ 30,332	\$ 726,858	\$ 56,749	\$ 260,487	\$ 352,967	\$ 402,722	\$ 1,145,969	\$ 121,708	\$ 433,792	\$ 380,747	\$ 77,231	\$ 22,218	\$ 2,004,003	\$ 6,015,783	

UINTAH COUNTY
COMBINING STATEMENT OF NET ASSETS -
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2004

	NON-MAJOR BTA'S - ENTERPRISE FUNDS		
	LANDFILL	TELE- COMMUNICATIONS	TOTAL NONMAJOR BTA'S
<u>ASSETS</u>			
Current assets:			
Cash	\$ 418,427	\$ 93,234	\$ 511,661
Investments	500,000	100,000	600,000
Receivables - net			
Miscellaneous	5,309	20,830	26,139
Tax receivable	163		163
Restricted investments	59,309		59,309
Total current assets	\$ 983,208	\$ 214,064	\$ 1,197,272
Noncurrent assets:			
Land	\$ 51,300		\$ 51,300
Buildings	9,713		9,713
Improvements other than buildings	54,136		54,136
Furniture, fixtures and equipment	942,822	\$ 176,311	1,119,133
Less: Accumulated depreciation	(809,046)	(176,311)	(985,357)
Total noncurrent assets, net	\$ 248,925	\$...	\$ 248,925
Total assets	\$ 1,232,133	\$ 214,064	\$ 1,446,197
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 9,054	\$ 5,921	\$ 14,975
Warrants payable	4,328	1,361	5,689
Accrued wages and benefits	34,744	3,978	38,722
Deferred tax revenues	133		133
Total current liabilities	\$ 48,259	\$ 11,260	\$ 59,519
Total noncurrent liabilities	\$...	\$...	\$...
Total liabilities	\$ 48,259	\$ 11,260	\$ 59,519
Net Assets:			
Invested in capital assets, net of related debt	\$ 248,925		\$ 248,925
Restricted	59,309		59,309
Unrestricted	875,640	\$ 202,804	1,078,444
Total net assets	\$ 1,183,874	\$ 202,804	\$ 1,386,678

UINTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS -
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>NON-MAJOR BTA'S - ENTERPRISE FUNDS</u>		
	<u>LANDFILL</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL NON-MAJOR BTA'S</u>
Operating revenues:			
Charges for sales and services	\$ 531,542	\$ 146,810	\$ 678,352
Total operating revenues	\$ 531,542	\$ 146,810	\$ 678,352
Operating expenses:			
Employee salaries and benefits	\$ 302,511	\$ 42,003	\$ 344,514
Office supplies	677	225	902
Contractual services	31,599		31,599
Utilities	3,990		3,990
Fuel and oil	28,506		28,506
Repairs and maintenance	34,802	20,962	55,764
Depreciation	40,345		40,345
Travel	1,547	20	1,567
Telephone	1,884	55,925	57,809
Total operating expenses	\$ 445,861	\$ 119,135	\$ 564,996
OPERATING INCOME (LOSS)	\$ 85,681	\$ 27,675	\$ 113,356
Nonoperating revenues (expenses):			
Taxes	\$ 1,616		\$ 1,616
Interest revenue	14,877	\$ 3,032	17,909
Total nonoperating revenues (expenses)	\$ 16,493	\$ 3,032	\$ 19,525
Income (loss) before capital contributions	\$ 102,174	\$ 30,707	\$ 132,881
Total capital contributions	\$...	\$...	\$...
Change in net assets	\$ 102,174	\$ 30,707	\$ 132,881
Total net assets - beginning of year	1,081,700	172,097	1,253,797
Total net assets - end of year	\$ 1,183,874	\$ 202,804	\$ 1,386,678

UINTAH COUNTY
COMBINING BALANCE SHEET - CEMETERIES
FOR THE YEAR ENDED DECEMBER 31, 2004

ASSETS												
	MAESER CEMETERY	ROCKPOINT CEMETERY	JENSEN CEMETERY	LEOTA CEMETERY	HAYDEN CEMETERY	LAPoint CEMETERY	DRYFORK CEMETERY	AVALON CEMETERY	GUSHER CEMETERY	TRIDELL CEMETERY	CEMETERY ASSOCIATION	TOTAL CEMETERIES
Cash	\$ 102,156	\$ 57,033	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600		\$ 302,244
Investments	100,000											100,000
Accounts receivable											\$ 42,995	42,995
Total assets	\$ 202,156	\$ 57,033	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600	\$ 42,995	\$ 445,239
LIABILITIES AND FUND BALANCES												
Liabilities:												
Cash deficit		\$ 641									\$ 4,661	\$ 4,661
Accounts payable		50,000									2,246	2,887
Warrants payable											559	50,559
Accrued liabilities											6,385	6,385
Total liabilities	\$ 50,641	\$ 50,641	\$	\$	\$	\$	\$	\$	\$	\$	\$ 13,851	\$ 64,492
Fund balances:												
Reserved:												
Cemeteries	\$ 202,156	\$ 6,392	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600	\$ 29,144	\$ 380,747
Total fund balances	\$ 202,156	\$ 6,392	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600	\$ 29,144	\$ 380,747
Total liabilities and fund balances	\$ 202,156	\$ 57,033	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600	\$ 42,995	\$ 445,239

UTAH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CEMETERIES
 FOR THE YEAR ENDED DECEMBER 31, 2004

	MAESER CEMETERY	ROCKPOINT CEMETERY	JENSEN CEMETERY	LEOTA CEMETERY	HAYDEN CEMETERY	LAPONT CEMETERY	DRYFORK CEMETERY	AVALON CEMETERY	GUSHER CEMETERY	TRIDELL CEMETERY	CEMETERY ASSOCIATION	TOTAL CEMETERIES
REVENUES:												
Charges for services	\$ 8,900	\$ 7,000	\$ 500	\$ 172	\$ 170	\$ 850	\$ 5,230	\$ 640	\$ 600		\$ 36,600	\$ 60,490
Interest income	3,831	784	1,790		163	187	993	165	99	266		8,450
Total revenues	\$ 12,731	\$ 7,784	\$ 2,290	\$ 172	\$ 333	\$ 1,037	\$ 6,223	\$ 805	\$ 699	\$ 266	\$ 36,600	\$ 68,940
EXPENDITURES:												
Current:												
Parks, recreation, and public property	\$ 3,867	\$ 153,320	\$ 281	\$ 36		\$ 846	\$ 323	\$ 2,452	\$ 975	\$ 715	\$ 251,815	\$ 414,630
Principal debt payment		50,000										50,000
Total expenditures	\$ 3,867	\$ 203,320	\$ 281	\$ 36		\$ 846	\$ 323	\$ 2,452	\$ 975	\$ 715	\$ 251,815	\$ 464,630
Excess revenues over (under) expenditures	\$ 8,864	\$ (195,536)	\$ 2,009	\$ 136	\$ 333	\$ 191	\$ 5,900	\$ (1,647)	\$ (276)	\$ (449)	\$ (215,215)	\$ (395,690)
OTHER FINANCING SOURCES (USES):												
Transfers in	\$ 31,670	\$ 16,152	\$ 8,296	\$ 1,241	\$ 1,615	\$ 6,307	\$ 4,556	\$ 1,377	\$ 1,309	\$ 5,117	\$ 244,359	\$ 321,999
Transfers out	(43,673)		(21,594)	(9,012)	(9,425)	(6,572)	(37,958)	(9,600)	(3,243)	(8,637)		(149,714)
Note payable proceeds		151,104										151,104
Total other financing sources (uses)	\$ (12,003)	\$ 167,256	\$ (13,298)	\$ (7,771)	\$ (7,810)	\$ (265)	\$ (33,402)	\$ (8,223)	\$ (1,934)	\$ (3,520)	\$ 244,359	\$ 323,389
Excess of revenues and other sources over (under) expenditures and other uses	\$ (3,139)	\$ (28,280)	\$ (11,289)	\$ (7,635)	\$ (7,477)	\$ (74)	\$ (27,502)	\$ (9,870)	\$ (2,210)	\$ (3,969)	\$ 29,144	\$ (72,301)
FUND BALANCES - beginning of year	205,295	34,672	103,393	10,137	9,068	6,143	56,465	9,974	5,332	12,569		451,048
FUND BALANCES - end of year	\$ 202,156	\$ 6,392	\$ 92,104	\$ 2,502	\$ 1,591	\$ 6,069	\$ 28,963	\$ 104	\$ 3,122	\$ 8,600	\$ 29,144	\$ 380,747

UNTAH COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
FOR THE 2004 PROPERTY TAX YEAR

COUNTY FUNDS:	TAX UNITS			TREASURER'S RELIEF				OTHER COLLECTIONS				DELINQUENCIES	
	TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL	NET TAXES COLLECTED	PERCENT	FEES IN LIEU	MISC. COLLECTED	TAX	INTEREST/ PENALTY
Care Center	1,850,487,072	0.000000							0.974		\$ (4)	\$ 4,546	\$ 766
Debt Service	1,850,487,072	0.000000							0.974			51	22
Flood control	1,850,487,072	0.000030	\$ 56,271	\$ (2,054)	\$ (165)	\$ 150	\$ (2,069)	\$ 54,202	0.974	\$ 5,391	519	3,261	174
General	1,850,487,072	0.001908	3,531,274	(130,348)	(10,451)	49,616	(91,183)	3,440,091	0.974	342,150	29,413	172,300	89,613
Landfill	1,850,487,072	0.000000							0.974		(1)	491	115
Library	1,850,487,072	0.000456	843,864	(31,149)	(2,498)	11,862	(21,785)	822,079	0.974	81,764	7,027	41,450	2,051
Tort liability	1,850,487,072	0.000100	184,923	(6,846)	(549)	3,150	(4,245)	180,678	0.974	17,970	1,496	8,806	457
Judgement levy	1,850,487,072	0.000000							0.974			753	190
Local assessing and collecting	1,850,487,072	0.000217	402,439	(14,856)	(1,191)	5,681	(10,366)	392,073	0.974	38,996	3,350	20,064	1,093
State assessing and collecting	1,850,487,072	0.000180	333,214	(12,323)	(988)	5,322	(7,989)	325,225	0.976	32,345	2,726	16,104	908
Total County Funds			\$ 5,351,985	\$ (197,576)	\$ (15,842)	\$ 75,781	\$ (137,637)	\$ 5,214,348		\$ 518,616	\$ 44,526	\$ 267,826	\$ 95,389
SCHOOL DISTRICTS:													
Utah School District	1,850,487,072	0.006070	\$ 11,232,998	\$ (414,867)	\$ (33,265)	\$ 164,200	\$ (283,932)	\$ 10,949,066	0.974	\$ 1,088,988	\$ 93,193	\$ 522,949	\$ 27,304
Total School Districts			\$ 11,232,998	\$ (414,867)	\$ (33,265)	\$ 164,200	\$ (283,932)	\$ 10,949,066		\$ 1,088,988	\$ 93,193	\$ 522,949	\$ 27,304
CITIES AND TOWNS:													
Vernal City	291,685,731	0.001109	\$ 323,350	\$ (11,872)	\$ (2,074)	\$ 640	\$ (13,306)	\$ 310,044	0.959	\$ 58,764	\$ 1,739	\$ 14,062	\$ 824
Ballard City	27,421,962	0.001091	29,909	(5,539)	(3)	1,195	(4,349)	25,560	0.855	3,006	182	4,073	351
Naples City	70,266,326	0.000375	40,432	(1,264)	(143)	(940)	(2,347)	38,085	0.942	7,877	397	5,042	775
Total Cities and Towns			\$ 393,691	\$ (18,675)	\$ (2,222)	\$ 895	\$ (20,002)	\$ 373,689		\$ 69,647	\$ 2,318	\$ 23,177	\$ 1,950
OTHER DISTRICTS:													
Mosquito Abatement	1,850,487,072	0.000280	\$ 517,421	\$ (19,100)	\$ (1,531)	\$ 7,299	\$ (13,332)	\$ 504,089	0.974	\$ 50,137	\$ 4,306	\$ 26,234	\$ 1,403
Central Utah Water	1,850,487,072	0.000353	653,853	(24,166)	(1,938)	10,044	(16,060)	637,793	0.975	63,435	5,379	31,646	1,683
Utah Water Conservancy	1,783,271,342	0.000379	675,781	(23,212)	(1,965)	9,304	(15,873)	659,908	0.977	66,022	5,663	32,180	1,532
Ashley Water	307,464,473	0.001824	560,704	(35,029)	(4,042)	(8,791)	(47,822)	512,882	0.915	136,026	7,708	48,449	4,328
Ashley Valley North	1,711,917	0.000655	1,121	(91)		(3)	(94)	1,027	0.916	227	10	210	25
Shovelier-Mechan	416,592	0.001382	659		(37)	(1)	(38)	621	0.943	95	6		
Phonant Glen	8,689,547	0.000370	3,218	(30)	(44)	(3)	(77)	3,141	0.976	623	26	60	4
Henry Withdraw	3,206,607	0.001453	4,659	(105)		(64)	(169)	4,490	0.964	380	11	517	26
Ramussen Withdraw	345,175	0.002486	858	(152)		152		858	1.000	51	162		
Chivers Withdraw	2,001,041	0.001369	2,740	(79)		11	(68)	2,672	0.098	161	20	211	13
Westside Withdraw	8,555,986	0.002322	19,864	(21)	(38)	(5)	(64)	19,800	0.997	2,993	(665)	323	9
Messer Water	67,366,335	0.000677	45,601	(2,185)	(441)	(19)	(2,645)	42,956	0.942	13,360	883	2,649	126
Jensen Water	37,790,295	0.000908	34,329	(938)	(87)	(731)	(1,756)	32,573	0.949	7,120	505	2,902	178
Ballard Water	29,249,022	0.000525	15,351	(2,969)	(16)	579	(2,406)	12,945	0.843	1,486	93	2,385	218
Curry Park Water	11,872,192	0.000804	9,550	(774)		117	(657)	8,893	0.931	495	66	233	17
Tridell Lapoint Water	26,024,488	0.000798	20,769	(1,550)	(76)	(34)	(1,660)	19,109	0.920	5,996	175	1,509	118
Johnson Water	2,598,562	0.000549	1,427	(142)	(8)	(3)	(153)	1,274	0.893	84	10	352	41
Naples redevelopment	3,120,369	0.012312	38,418					38,418	1.000				
Total Other Districts			\$ 2,606,323	\$ (110,543)	\$ (10,222)	\$ 17,892	\$ (102,874)	\$ 2,503,449		\$ 347,991	\$ 24,358	\$ 149,860	\$ 9,721
GRAND TOTAL			\$ 19,584,597	\$ (741,661)	\$ (61,552)	\$ 258,768	\$ (544,445)	\$ 19,040,552		\$ 2,025,242	\$ 164,395	\$ 983,812	\$ 134,364

SUPPLEMENTAL STATE COMPLIANCE

Report on State Compliance for State Grants

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

47 North First East

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

CRAIG G. SMUIN, C.P.A.
R. KIRT RICH, C.P.A.
GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

Re: Report on Legal Compliance with
Applicable Utah State Laws and
Regulations

Ladies/Gentlemen:

We have audited the basic financial statements of Uintah County, for the year ended December 31, 2004, and have issued our report thereon dated May 27, 2005. As part of our audit, we have audited Uintah County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004.

The County received the following major State assistance programs from the State of Utah:

- B Road Funds (Department of Transportation)
- Liquor Law Enforcement (State Tax Commission)
- Drug Court (Department of Human Services)
- Minimum Performance (Department of Health and Human Services)
- Airport Project (Department of Transportation)
- CIB Loan (Department of Community & Economic Developments)
- Alternative Program (Department of Human Services)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Uintah County's financial statements.)

- Healthy Utah (Department of Health and Human Services)
- FACT/CHILD (Department of Health and Human Services)
- Tobacco Prevention (Department of Health and Human Services)
- Revitalization Grant (Department of Community & Economic Development)
- Library Development (Department of Community and Economic Development)
- LHD Environmental Services (Department of Health and Human Services)
- UDSH Grant (Department of Community and Economic Development)
- LSTA (Department of Community & Economic Development)
- Predator Control (Department of Natural Resources)
- Children Justice Grant (Department of Justice)
- Indoor Clean Air (Department of Health and Human Services)
- Museum Feasibility Grant (Department of Community and Economic Development)
- GIS Cadastral Mapping (Department of Administrative Services)

EMS Radio Grant (Department of Natural Resources)
Fire Truck Grant (Department of Natural Resources)
Community Impact Board Grant (Department of Community and Economic Development)
Medicaid Waiver (Department of Human Services)
DWR Payment in Lieu (Department of Natural Resources)
Utah Cancer Control (Department of Health and Human Services)
State General Funds (Department of Health and Human Services)
Chec (Department of Health and Human Services)
Consumer Education & Assistance (Department of Health and Human Services)
Victims Advocate Grant (Department of Justice)
Historical Preservation Grant (Department of Community & Economic Development)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

Public Debt	Statement of Taxes Charged,
Cash Management	Collected and Disbursed
Purchasing Requirements	Justice Courts
Budgetary Compliance	B & C Road Funds
Truth in Taxation &	Uniform Building Code
Property Tax Limitations	Other Compliance Requirements

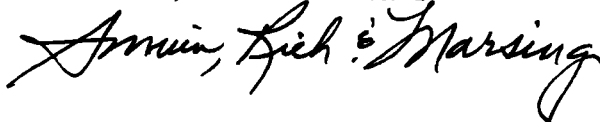
The management of Uintah County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Uintah County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

SMUIN, RICH & MARSING



Price, Utah

May 27, 2005

**AUDITORS' REPORTS AND SUPPLEMENTAL SCHEDULES ACCORDING TO
SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS**

Auditors' Report on Compliance and on Internal
Control Over Financial Reporting Based on an
Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal
Control Over Compliance in Accordance with
OMB Circular A-133

Schedule of Findings and Questioned Costs

SCHEDULE 9

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Summary Schedule of Prior Audit Findings

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

47 North First East

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

CRAIG G. SMUIN, C.P.A.
R. KIRT RICH, C.P.A.
GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Report on Compliance and on Internal
Control Over Financial Reporting Based
on an Audit of Financial Statements
Performed in Accordance With Govern-
ment Auditing Standards

We have audited the financial statements of Uintah County as of and for the year ended December 31, 2004, and have issued our report thereon dated May 27, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

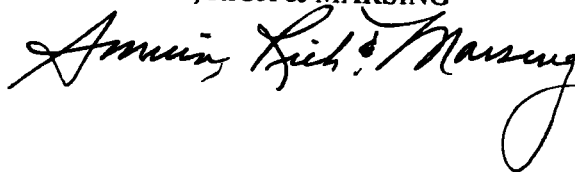
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, reading "Armin Rich Marsing". The signature is written in dark ink and is positioned below the printed name "SMUIN, RICH & MARSING".

Price, Utah

May 27, 2005

SMUIN, RICH & MARSING

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Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Report on Compliance With Requirements
Applicable to Each Major Program and Internal
Control Over Compliance in Accordance With
OMB Circular A-133

Compliance

We have audited the compliance of Uintah County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2004. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements, laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

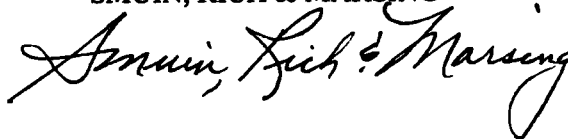
Internal Control Over Compliance

The management of Uintah County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING



Price, Utah

May 27, 2005

UINTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Uintah County.
2. There were no reportable conditions and no material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Uintah County were disclosed by the audit.
4. There was no reportable condition and no material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Uintah County expresses an unqualified opinion.
6. The audit of Uintah County's major programs disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA#</u>
Airport Land Acquisition & Development	20.106
Homeland Security	97.004
Women, Infant & Children	10.557

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Uintah County was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

**UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

FEDERAL CFDA NUMBER	GRANTOR THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2004	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2004
99.556	05-1288	\$ 11,570	\$	\$ 8,400	\$ 8,500	
99.283		\$ 11,570	\$	\$ 20,070	\$ 20,070	\$
		\$	\$	\$	\$	\$
99.041	03-0246	\$ 59,553	\$	\$ 43,522	\$ 43,522	
99.044	04-2248	96,391		89,903	89,903	
99.043	04-2248	2,189		734	734	
99.043	04-2248	14,429		14,332	14,332	
99.052	04-2248	58,235		19,362	19,362	
99.044	04-0005	57,095		10,517	10,517	
99.045	04-0005	1,226		1,393	1,393	
99.043	04-0005	14,578		6,015	6,015	
99.052	04-0005	8,009		8,004	8,004	
99.042	04-0005	28,072		28,072	28,072	
99.667	04-2248	6,000		1,996	1,996	
99.779	04-0005	6,000		2,630	2,630	
99.779	04-0005	11,680		10,271	10,271	
99.778	05-0054	8,470		1,624	1,624	
99.778	05-0259	7,893		3,793	3,793	
99.778	04-0651					
		\$ 383,220	\$	\$ 245,188	\$ 245,188	\$
		\$	\$	\$	\$	\$
99.991	04-2001	\$ 4,987	\$	\$ 4,987	\$ 4,987	
99.940	04-1779	1,000		702	702	
99.268	04-2236	45,348		31,620	31,620	
99.268	04-2236	84,303		84,303	84,303	
99.116	04-1779	1,500		595	595	
99.778	03-0385	16,454		1,756	1,756	
99.919	04-2001	31,000		14,577	14,577	
99.919	04-2001	14,750		6,195	6,195	
99.977	04-1779	480		480	480	
99.283	03-1288	244,629		69,974	69,974	
99.283	04-1520	271,809		184,171	184,171	
99.991	03-2032	24,697		15,856	15,856	
99.991	04-2001	24,697		22,643	22,643	
99.994	03-0186	13,200		251	251	
99.994	04-2236	48,173		48,173	48,173	
99.994	04-2001	9,200		8,973	8,973	
99.994	04-2001	25,487		20,687	20,687	
99.994	04-2030	55,000		45,978	45,978	
99.994	04-2001	39,871		38,234	38,234	
99.558	03-1871	28,145		21,109	21,109	
99.945	03-2032	50,000		50,000	50,000	
99.945	04-2001	50,000		34,693	34,693	
99.991	03-2032	8,900		8,244	8,244	
99.991	04-2001	13,500		8,474	8,474	
99.110	03-2032	4,000		1,299	1,299	
99.944	04-2001	13,200		1,267	1,267	
99.994	03-2032	750		750	750	
		\$ 1,125,000	\$	\$ 725,911	\$ 725,911	\$
		\$	\$	\$	\$	\$
		\$ 1,519,790	\$	\$ 988,169	\$ 988,169	\$
		\$	\$	\$	\$	\$

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2004	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2004
10.672	U.S. DEPARTMENT OF AGRICULTURE Direct Programs: Forest Service - National woods Pass Through State Department of Human Services: Special Supplemental Food Program for Women, Infants and Children WIC Administration and Nutrition WIC Food Vouchers WIC Breastfeeding WIC Food Vouchers WIC Food Administration and Nutrition WIC Breastfeeding Elder Feeding Elder Feeding Forest Reserve Forest Patrol Community Facilities		\$ 10,000	\$	\$38	\$	\$
•		04-1066	239,000		148,795	148,795	
•		04-1066	504,900		358,955	358,955	
•		04-1066	9,977		8,638	8,638	
•		05-1068	507,600		136,631	136,631	
•		05-1068	227,050		60,309	60,309	
•		05-1068	11,950		2,069	2,069	
•		04-2248	50,910		28,110	28,110	
•		04-0005	42,500		35,531	35,531	
10.557			31,822		31,822	31,822	
10.550			4,387		4,387	4,387	
10.666			15,470		15,450	15,450	
10.670							
10.766							
	Total U.S. Department of Agriculture		\$ 1,655,566	\$	\$ 831,335	\$ 831,335	\$
14.228	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed Through Utah Department of Community and Economic Development: Community Dev. Block Grant - Housing Rehab. Community Dev. Block Grant - Housing Rehab.	04-2085 04-0400	60,000 65,000		20,095 26,066	20,095 26,066	
	Total Department of Housing and Urban Development		\$ 125,000	\$	\$ 46,161	\$ 46,161	\$
16.579	U.S. DEPARTMENT OF JUSTICE Passed Through Utah Department of Commission on Criminal and Juvenile Justice Safe Neighborhood		20,000		9,603	9,603	
	Total U.S. Department of Justice		\$ 20,000	\$	\$ 9,603	\$ 9,603	\$
20.106	U.S. DEPARTMENT OF TRANSPORTATION Passed Through State Department of Transportation: Airport Improvements Airport Land Acquisition Airport Land Acquisition Safe Community	AIP3-49-0037-16 AIP3-49-0037-17 AIP3-49-0037-18 CP04-05-09	188,716 150,000 364,524 10,000		53,734 150,000 364,524 9,300	53,734 150,000 364,524 9,300	
	Total U.S. Department of Transportation		\$ 713,240	\$	\$ 577,558	\$ 577,558	\$
66.605	ENVIRONMENTAL PROTECTION AGENCY Passed through Utah Department of Health: Environmental quality Environmental quality Environmental quality Environmental quality	04-2068 05-0568 04-2068 05-0568	2,300 2,300 4,570 4,570		1,150 1,150 2,285 2,285	1,150 1,150 2,285 2,285	
	Total Environmental Protection Agency		\$ 13,740	\$	\$ 6,870	\$ 6,870	\$

UTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2004	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2004
		\$ 4,250	\$	2,125	\$ 2,125	
		222,125		60,705	60,705	
		748,492		118,646	118,646	
		\$ 974,867	\$	181,476	\$ 181,476	\$
		\$ 5,022,203	\$	2,641,172	\$ 2,641,172	\$

TOTAL FEDERAL ASSISTANCE

* Titled as Major Federal Financial Assistance Programs

UINTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2004

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of program activity of the County's federal award programs and does not necessarily present transactions that would be included in financial statements of the County presented on the modified accrual basis of accounting, as contemplated by generally accepted accounting principles.

2. FOOD INSTRUMENTS

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Uintah County. The Tri County Health District operates the Women, Infant and Children program. As part of this program, the health district distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items.

The dollar amounts reported on the schedule of expenditures of federal awards are the fair market value that food instruments can be redeemed for.

3. VACCINES

As part of the immunization program of the Tri County Health District, vaccines were provided by federal agencies. The fair market value of these vaccines has been reported on the schedule of expenditures of federal awards as immunization.

**UINTAH COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Uintah County has no prior audit findings that were required to be reported in the current audited financial statements. Any prior audit findings have been corrected.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

Ladies and Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Uintah County for the year ended December 31, 2004.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluating of the systems and procedures, this memorandum should not be considered all-inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting or procedural questions.

BUDGET COMPLAINT

Utah law prohibits officers and employees of Counties to incur expenditures or encumbrances in excess of the total appropriations for any department in the General Fund or any fund for special district's. The County has overspent the following fund in the current fiscal year:

Tri-County Health	
Expenditures over budget	\$234,299

We recommend the County periodically review the expenditures and encumbrances with the adopted budget to make sure expenditures do not exceed approved spending limits.

FUND BALANCE LIMITATION

Counties are permitted to accumulate earnings or fund balances, as appropriate, in any fund. With respect to the general fund only, any accumulated fund balance may not exceed the greater of an amount equal to the estimated revenues from property taxes of the current fiscal period or 50% of the total General Fund revenues for the current fiscal period.

The County's fund balance at the end of the year is in excess of the amount allowed by the State's fiscal procedures act. The County needs to reduce the fund balance in the General Fund.

We recommend the County review the options available to reduce its fund balance and take appropriate action.

LANDFILL PROCEDURES

During our review of the Landfill's internal control procedures, it was found employees at the gate receipting funds are not classifying those receipts correctly. When funds are brought to the County Treasurer the amount of funds total the amount of the receipts. But the amount of cash shown on the daily register is different from the actual amount remitted to the Treasurer. Like wise the amount of checks and pre-sold tickets do not match the total of non-cash receipts on the register for the day. This could be that employee's are not being careful and entering the proper classification of payment as cash sale and non-cash sales on their daily receipts. By not entering sales correctly important internal control procedures are not being followed. Also, we found that employees at the Landfill were billing commercial customers, delivering bills to customers and collecting money on these bills. By Landfill employees performing all of the accounting functions associated with billing and collection of money on Landfill commercial accounts, it eliminates the separation of duties and weakens internal controls.

We recommend that Landfill employees are provided training to make sure they properly classify receipts as cash and non-cash sales. We also recommend the Auditor's office bill commercial landfill accounts and that funds are remitted to the County Treasurer.

GRANT MANAGEMENT

Recently, the County has designated an employee of the County as a Grant Manager, who has the responsibility of maintaining and monitoring files on all grants and reimbursement requests associated with these grants. While performing single audit procedures on the Homeland Security Grant, we found that other governmental agencies and employees of the County were not following internal control procedures and providing the Grants Manager with a copy of this grant nor where they getting approval for reimbursements requests or funneling these requests through the County's Grant Manager.

We recommend the County make notification to all employees and other governmental agencies sharing in grant funds, that a copy of grant agreements and reimbursements requests are required to be filed with the County Grant Manager.

SUMMARY

We feel the accounting procedures and internal control items mentioned above are some areas where the County can make changes to improve its internal control structure in order to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING.



Price, Utah

June 29, 2005

UINTAH COUNTY CLERK-AUDITOR

147 East Main
Vernal, Utah 84078
Phone: (435) 781-5362
Fax: (435) 781-6701

Michael W. Wilkins
Clerk-Auditor

December 29, 2005

Smuin, Rich & Marsing
Certified Public Accountants
PO Box 820
Price, Utah 84501

Dear Gentlemen;

In response to the management letter we received, the following practices have or will be implemented as soon as possible:

BUDGET COMPLIANCE:

The County reviews the budget on a monthly basis the department that went over is our Tri-County Health dept. and we are the fiscal agent for them and I felt that was there responsibility to have budget increases on there own, I have corrected my outlook on this department and will take care of budget increases in there behalf in the future.

FUND BALANCE LIMITATION

The County has budgeted the fund balance in the 2005 budget.

LANDFILL PROCEDURES

The County has implemented new software at the landfill and have reviewed the internal controls with the landfill superintendent and the employees at the landfill, also the county Clerk-Auditors office will take over the sending and collecting of the commercial landfill accounts, and remit the funds to the Treasurer.

GRANT MANAGEMENT

The County has notified all departments that all grants are to be administered by the County Grant Manager.

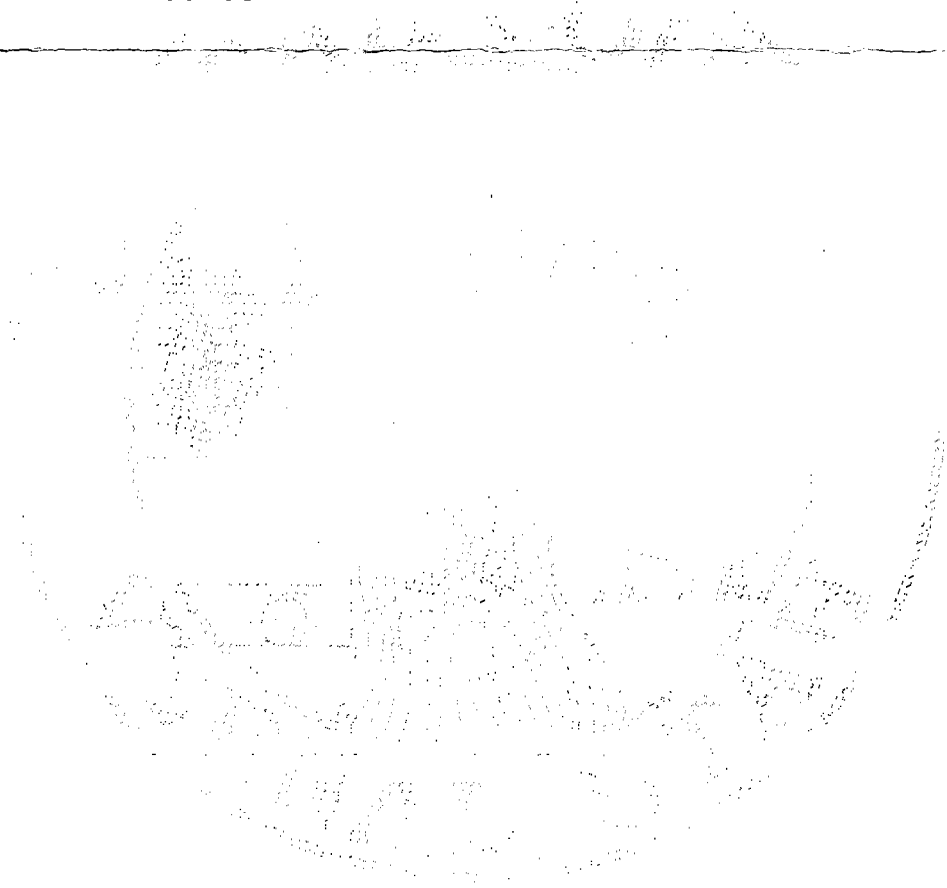
We appreciate your recommendations. And any other ideas to assist us in operating Uintah County in a more efficient matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael W. Wilkins".

Michael W. Wilkins
Uintah County Clerk-Auditor

cc: Utah State Auditor

A large, faint circular stamp is visible in the lower half of the page. It appears to be an official seal or stamp, but the details are too light to discern clearly. It seems to contain text around the perimeter and possibly a central emblem.